

UNIVERSITY OF JORDAN LIBRARY

BEARINGS FROM POLAND

NEWS SUMMARY

GENERAL

Police hold 24 in IRA raids

Police detained 24 people after countrywide swoops which they claimed had halted plans for an IRA bomb campaign in Britain at Christmas.

The operation involved provincial police, Special Branch and Special Patrol Group officers and was planned for months. It was controlled by Scotland Yard's anti-terrorist chief Commander Peter Duffy, and followed a tip-off from the Royal Ulster Constabulary on suspected terrorists' movements.

All 24 were being held under the Prevention of Terrorism Act, and charges are expected next week.

Iran move

THE U.S. ordered all but 35 of the 218 Iranian diplomats accredited in the U.S. to leave the country within a week.

Quake kills 100

At least 100 people were killed when an earthquake rocked parts of central and south-east Colombia, badly damaging many coastal towns.

Policemen jailed

Three Metropolitan police officers were jailed for a total of six and a half years at the Old Bailey after being found guilty of corruption and blackmail in plotting to obtain £6,000 from Soraya Khashoggi, wife of a multi-millionaire.

Talks on violence

Italian Premier Francesco Cossiga is expected to hold an emergency cabinet meeting tomorrow to review the revival of political violence following an attack at a Turin business school.

Killer hunted

Armed police began a nationwide hunt for the shotgun killer of a girl, 17, in Dunstable, Beds. They said they wanted to question Jonathan Peter May, 20, of Redbourne, Herts.

Hostage freed

Basque guerrillas released prominent Spanish politician Javier Ruperez, who was kidnapped outside his Madrid home on November 11. Page 2

Korean arrest

South Korea's martial law chief Chung Seung-Hwa was arrested at his official residence in Seoul. After an outburst of shooting, he was taken to army security command, and no reason was given for his arrest.

Commons offices

A £120m scheme for an office block for MPs to be built alongside Westminster Bridge was unveiled with the backing of an influential all-party Commons committee. Back page; Picture, Parliament, Page 5

Bias denied

Civil Service inquiry rejected accusations by a Commons Select Committee that the service was biased in favour of public school and Oxbridge candidates for its administration training schemes. Page 5

Price spiral

A saleroom record for a cork-seal was reached at Sotheby's, London, when £1,050 was paid for one made about 1760. Saleroom, Page 6

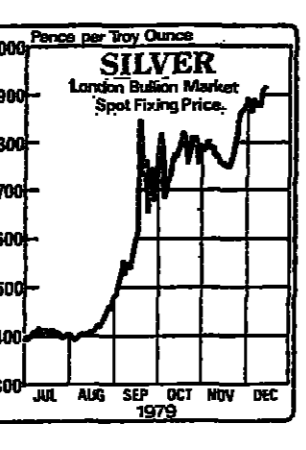
Briefly...

Two men died and two were injured when a light aircraft crashed on take-off at Booker, High Wycombe, Bucks. Six people were helping police inquiries after a man was stabbed to death at a boxing dinner at London's Royal Garden Hotel.

BUSINESS

Gold and silver records; £ firm

GOLD rose above \$450 for the first time in London on Middle East uncertainty, but eased later to close \$0.50 down on the day at \$447. In New York, the



Comex December close was \$449.80 (\$450.50). SILVER also reached record levels with the London spot quotation up 38p at 915p an ounce. Page 31

STERLING was firm, and rose 35 cents to \$2.1930. Its trade-weighted index was 69.5 (69.1). DOLLAR fluctuated quite sharply, and its trade-weighted index rose to 85.1 (84.8).

GILTS made fresh progress before easing later, and the Government Securities index rose 0.28 to 64.37.

EQUITIES trading was thin, and the FT 30-share index closed 0.7 higher at 2,334.

WALL STREET closed 1.97 up at 835.67.

TORONTO Composite index rose 32.5 on the Federal Budget to close at 1,755.8.

CHASE MANHATTAN Bank confirmed it had filed a protective action in the U.S. to prevent Iran's central bank, Bank Markazi, from suing it in courts outside the U.S. Back Page; French court rejects Iran plea, Page 25

BRITISH STEEL Corporation plans to halve South Wales steel capacity, and switch to cheaper imported coking coal would seriously hit the Welsh coal mining industry, the NCB area director warned. Back Page; Consett steel closure, Page 5

POST OFFICE's two-year worker director experiment will not continue in its present form, the Government said. Back Page and Parliament, Page 8; Editorial Comment, Page 18

AIRFIX appeared to have "behaved like a caricature of an 18th century mill-owner" if reports of the Meccano factory closure were correct. Department of Industry under-secretary David Mitchell said. Back Page 7

BRITISH Shipbuilders Board was accused by Shadow Scottish Secretary Bruce Millan of acting like dictators over the sacking of Govan shipyard chief executive Archie Gilchrist. Page 6

MARLEY, the building materials group, raised pre-tax profits for the year to October 31 from £18.82m to a record £22.07m on sales of £282.5m (£250.9m). Page 20 and Lex, Back Page

DEBENHAMS decided against selling its Harvey Nicholls department store in spite of two offers of about £25m. Page 23

NEWS LIMITED group of Rupert Murdoch is to buy a further 20 per cent stake in Ansett Transport Industries of Australia raising its total stake to 47 per cent. Murdoch has taken over as Ansett chief executive. Page 27

Soames arrives 'to hold Rhodesia's government in trust' this week

BY QUENTIN PEEL IN SALISBURY

THE 14-YEAR Rhodesian rebellion formally ended yesterday when Lord Soames, the newly appointed British Governor, arrived to take power. He will oversee free elections and a transition to lawful independence in the colony.



Lord Soames reviews an honour guard of the British South Africa Police on his arrival in Salisbury.

The final demise of the Unilateral Declaration of Independence of 1965 was marked by a minimum of ceremony. Lord Soames was greeted as he stepped from his Royal Air Force VC 10 by Bishop Abel Muzorewa, now the former Rhodesian Prime Minister, and a police band playing "God Save the Queen."

His arrival meant the resumption of British rule in what was Southern Rhodesia, and the end of British economic sanctions imposed on the colony in retaliation for UDI.

In a broadcast to the nation on television and radio within hours of his arrival, Lord Soames declared that he had come to launch an irreversible process leading to independence. He had been asked "to hold the government of the country in trust" while the political leaders took part in an election campaign to determine the government of independence.

Lord Soames confirmed that the British Government had removed sanctions to coincide with his arrival, "and looks to others to do the same." His task was to enable elections to be held and for your country

to achieve its rightful place in the international community." Only a scattering of demonstrators turned out to greet the Governor. Groups supporting Bishop Muzorewa gathered along his road into Salisbury, the Rhodesian capital, displaying posters saying Muzorewa makes Zimbabwe legal.

At the gates of Government House, where Lord Soames will make his headquarters, 200 white liberals cheered his arrival. As he drove through the gates, a Union Jack was unfurled to mark his arrival. The demonstrators waved the same flag, hauled down for the last time in Rhodesia after sanctions. Page 3

Ceasefire agreement expected this week

By Bridget Bloom, Africa Correspondent

THE BRITISH Government remains confident that it will agree on the terms of a ceasefire with the Patriotic Front guerrilla alliance by the end of this week, and that an overall Rhodesian settlement agreement will be signed very soon afterwards.

In London last night Sir Ian Gilmour, the Lord Privy Seal and deputy to Lord Carrington, the Foreign Secretary, announced that all remaining sanctions against Rhodesia were being lifted. The Queen held a Privy Council yesterday evening to effect the necessary changes.

The lifting of sanctions, which coincides with the arrival of Lord Soames, the Governor, in Salisbury, is publicly described by the Government as "part and parcel of an irreversible process" towards Rhodesian independence.

Privately, it is also being seen as a move to put pressure on the Patriotic Front rapidly to accept Britain's ceasefire terms. The guerrilla leaders of the two wings comprising the Patriotic Front spent yesterday discussing Britain's full ceasefire plan, which is designed to meet their main objections on the reciprocal disengagement of their own and the Zimbabwe Rhodesian armies during the ceasefire period. The date of a ceasefire has also to be fixed.

The FF's reaction to Britain's decision to send Lord Soames to Salisbury and to begin to activate the Rhodesian settlement before it is fully agreed upon has been low key.

It could well register reservations on the ceasefire plan at a plenary session of the Lancaster House talks planned for today. Barring major problems, however, Britain plans that all three delegations to the Lancaster House talks will sign a short document signalling their full agreement on a settlement within the next few days.

To this document would be annexed the independence constitution, the arrangements for the transition (already partly in force with Lord Soames' arrival) and the ceasefire.

Meanwhile the sanctions against Rhodesia which were not lifted by Parliament in November have now been or are in the process of being lifted. Remaining trade sanctions were lifted with

Continued on Back Page

Carter boost for defence

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT CARTER announced last night a substantial five-year increase in defence spending in a major speech which implied a renewed American willingness for active overseas intervention.

The hard numbers in Mr. Carter's address to a meeting of business executives in the White House are for a 5 per cent increase in real terms, to \$137bn in defence outlays in the next fiscal year, beginning in October 1980, and for further increases averaging more than 4 per cent a year in the next five years.

Full details of where the additional funding will go must await a presentation of the fiscal 1981 Budget in January, though Mr. Harold Brown, the Defence Secretary, may fill in some gaps in congressional testimony today.

But the President laid emphasis on the need for U.S. strategic flexibility, including the ability to deploy forces rapidly in areas over and beyond the NATO boundaries.

Perhaps most significant of all was a passage in his speech which a senior White House aide described as "to some extent marking the end of the Vietnam complex" in U.S. foreign policy.

The President said: "We have learned the mistake of military intervention in the internal affairs of another country when our own vital security interests were not directly involved. But we must understand that not every instance of the firm application of power is a potential Vietnam."

"The consensus for national strength and international involvement, although shaken and threatened, survived that divisive and tragic war."

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Europe accepts new U.S. missiles

BY REGINALD DALE, EUROPEAN EDITOR, IN BRUSSELS

GOVERNMENTS of the North Atlantic Treaty Organisation last night took their long-awaited decision to install a new generation of American nuclear missiles in Western Europe, coupled with the offer of wide-ranging new arms control negotiations with the Soviet Union.

But the West was less united than had originally been hoped by the alliance's major powers — the U.S., West Germany, Britain and Italy.

All 14 countries represented at yesterday's joint meeting of allied Foreign and Defence Ministers here agreed that the U.S. should go ahead with the production of the new missiles, which could strike the Soviet Union from bases in Western Europe. The Netherlands, however, said it would not make a final decision on accepting the weapons on Dutch soil until the end of 1981.

The Belgian Government a delicate political problem by securing last-minute parliamentary backing for a compromise underlying the country's right to change its mind at six-monthly intervals. The final Belgian and Dutch decisions will be taken in the light of progress made with Moscow in the proposed new round of arms control negotiations.

Both governments have risked falling on the missile issue, while Denmark has similar reservations. However, a Danish request that the decision be postponed for six months found no support from the other

countries at the meeting — all the Western allies except France. The allied Ministers stressed that the decision would not increase NATO's reliance on nuclear weapons. Indeed, a major plank in their arms control proposals was a unilateral offer to lower the number of warheads in Western Europe.

Mr. Cyrus Vance, the U.S. Secretary of State, said he hoped preliminary contacts with the Soviet Union could be made within the next month or two. The outcome was welcomed by Mr. Harold Brown, U.S. Defence Secretary, as a unanimous decision to proceed with the programme, under which 572 new missiles would be stationed in five European countries — the UK, West Germany, Italy, Belgium and Netherlands.

Mr. Francis Pym, British Minister of Defence, said it was a major decision and highly satisfactory. But Dr. Joseph Luns, the alliance's Dutch secretary-general, did not conceal his disappointment at the reservations recorded by the Netherlands. The missile programme would cost the U.S. at least \$5bn (£2.25bn).

Table with 3 columns: E in New York, Dec. 12, Previous. Rows for Spot, 1 month, 3 months, 6 months, 12 months.

More concessions urged to save EEC budget

BY ELINOR GOODMAN IN STRASBOURG

THE EUROPEAN Parliament's budget strategists indicated last night that the EEC Council of Ministers would have to make greater concessions to the Parliament or risk seeing the Community's 1980 budget thrown out.

Rejection of the 1980 budget would precipitate a crisis in the Community and might create serious difficulties over meeting next year's bills. It would also demonstrate the newly elected Parliament's determination to take on the Council of Ministers and to tackle excessive farm spending.

Last night the Brussels Commission was trying to persuade the two sides to pull back from confrontation. In long negotiations in Strasbourg, the budget Ministers of the Nine agreed as an opening offer to make a gesture towards acknowledging the Parliament's right to curb agricultural spending. They might also be prepared to increase the amount

by which non-farm spending may be increased. Mr. Nigel Lawson, the British representative on the Council, seemed reasonably optimistic that the two sides would eventually agree on a joint declaration of intention, if not on the precise details of the package.

The initial reaction of the Parliament's leaders was that the first compromise offered was inadequate. Earlier at the first meeting of the two sides, Ministers tried to persuade representatives of the Parliament to accept a statement of intent on agricultural spending. That has been the Parliament's main political objective in its attempt to amend the budget, since the Council refused to accept the Parliament's proposed changes last month.

If the two sides cannot compromise, the Parliament rejects the Budget today, the Commission will be sent back to the drawing-board. Spending next year would be limited each month to a twelfth of the 1979 level until a new Budget was agreed.

That would lead to cuts, although probably on non-agricultural projects rather than on agriculture as the Parliament wants.

Order to scrap fibre cartel

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN COMMISSION is insisting on the immediate scrapping of the "crisis cartel" operated by the EEC's 11 leading man-made fibre producers.

Although the market sharing agreement was inspired by the Commission in mid-1978 to head-off a damaging price war between the synthetic fibres giants, the three-year cartel is now due to be ended midway through its term.

M. Raymond Vauel, the EEC competition commissioner, has long complained that the crisis cartel is a flagrant breach of Article 85 of the Rome Treaty. Last week he prompted the 13-man Brussels Commission to open confidential negotiations with the fibre producers on the abandonment of their pact by the New Year.

The cartel was designed to bring about a reduction in over-capacity in Europe, estimated at the time of the agreement between the producers in 1977 at around 25 per cent. The main elements were a programme of individual company plant closures and a market-sharing agreement to ensure that the major producers maintained their relative positions.

The Italians—because of their position as net importers of fibres—were given special dispensation to continue with plans to expand their fibre industry. The deal was not openly implemented, because of strong opposition from the EEC Competition Directorate. However, major producers in Britain, West Germany, France and the Netherlands have

continued with their own plant closure programme. In the UK, ICI and Courtaulds recently announced major cuts in employment and closure of some production facilities. The Brussels Competition authorities feel this year's 20-25 per cent average rise in fibre prices now makes the market sharing deal untenable.

The Commission is now scheduled to consider proposals for an alternative scheme that would not infringe the Rome Treaty when it meets on December 19. Last week the Commission instructed the directors-general of the Competition, Industry and Judicial Services Departments to report within a fortnight on a solution that would be politically acceptable to the member states most concerned.

Table of Contents listing various articles and their page numbers, including sections on Britain's energy, Economic viewpoint, Rhodesia, Banking, Marketing and advertising, and a detailed list of news items.

Buying Dewar's is like hooking a salmon when you expected a trout.

Dewar's advertisement featuring a bottle of whisky and the text: Dewar's. Possibly a touch more expensive, always unquestionably smoother.

Table titled 'CHIEF PRICE CHANGES YESTERDAY' showing price changes for various commodities like Treasury 12%, Allied Colloids, Arrow Chemicals, etc.



EUROPEAN NEWS

EEC farm deal—higher prices and bigger surpluses

BY MARGARET VAN HATTEM AND CHRISTOPHER PARKES

BRITAIN'S FOOD bill will start to rise from next week following the French Government's decision to give the go-ahead to the package of farm measures approved by the EEC Farm Council in Brussels early yesterday.

Net impact of the change on consumers, according to Mr. Peter Walker, Britain's Minister of Agriculture, would be a 0.25 per cent rise in the retail price index. "But it will be many months before the full effect reaches the shops," he told the House of Commons yesterday.

Butter will go up 3 1/2p a pound, bacon 2p, beef 1p and a kilo bag of sugar will be 14p dearer. A large loaf will cost 0.33p more.

Cumulative effect of the year's devaluations is an extra 1 point on the British price index, and 4 points on the food price index.

The agreement covers the following points: A 5 per cent devaluation of the "green" pound and lira, which will give British and Italian farmers a corresponding price rise.

France and Italy will receive about £200m from the Community in the years 1980-83 to help finance a £540m programme to improve the quality of their wines and cut back surplus production.

France will be permitted to introduce temporary measures to help its sheep farmers, possibly with some financial help from the Community.

For Britain, the most significant part of the package is the devaluation of the "green" pound, the artificial exchange rate used to convert EEC common farm prices from European currency units into sterling.

This is Britain's third 5 per cent "green" devaluation this year and, together with a 1.5 per cent average price rise agreed last June, gives UK farmers a cumulative price rise this year of nearly 18 per cent.

According to British Government calculations, the latest devaluation will, over the next year, raise farm incomes by £150m. At the same time, it will boost the national food bill by an estimated £255m. However, these figures are contested in Brussels: EEC officials say they are likely to be significantly exceeded.

Viewed in isolation, the 5 per cent devaluation of the "green" pound seems woefully inadequate to match the demands of British farmers. The National Farmers' Union, which claims that real incomes this year will fall by 15-20 per cent, pointed out yesterday that the devaluation does not cover even half the £250m annual cost of the new farmers' wages agreement ratified earlier this week.

"The union is encouraged that the Government has recognised the current problems facing producers. But further measures are required to restore confidence in the industry in order to offset the alarming and ever-increasing costs of production," said Mr. Richard Butler, NFU president, in what has now become a routine response to devaluations.

Similar qualified approval greeted the two devaluations approved by the Council of Ministers earlier this year. However, this year's three monetary adjustments taken together, plus a further minor change, will increase net farm incomes in a full year by around £360m—an average of £2,500 for every farmer in the country.

Since the turn of the year, the prices of the main products of British farming have increased by almost 20 per cent. The intervention price for butter, £1,494.95 a tonne in January, now goes up to £1,762.98. Sugar has risen from £218.74 to £261.89 a tonne, and the support buying price for beef has jumped from £719 to £860.67 a tonne.

The latest devaluation will not be applied to grain prices until next August, the start of the new marketing year. The prices listed are those of last resort—the rates producers can get from the Common Market's food stockpile managers if the free market is depressed.

The move is expected to lead to bigger food mountains in the EEC. Price rises in Britain and Italy will encourage production while discouraging consumption in those countries. But any major importers from the rest of the EEC, but as the devaluations begin to take effect, their imports will drop, leaving the other countries with bigger surpluses to dispose of at the Community's expense.

This trend is likely to be aggravated by the decision to raise prices for milk and beef immediately while delaying the rise on cereals, so that animal feeds will become relatively cheaper in the interim, boosting profitability for livestock producers.

The "green" devaluation will initially cut the cost of the common agricultural policy (and consequently Britain's contribution to the EEC budget). By raising prices it reduces the Community subsidies needed to offset the difference between high Continental and lower British prices.

However this budgetary gain is actually a loss to Britain because, in effect, British consumers will take over from the Community part of the cost of supporting high Continental prices.

In order to get France to agree to the devaluation, Mr. Walker had to accommodate French demands on lamb and wine.

For lamb, currently the subject of a bitter dispute between France and the UK, he and other Ministers agreed that France and the Commission should introduce temporary help for French sheep farmers until the current negotiations to include lamb in the CAP are concluded.

These measures would not need approval from the Council of Ministers, and although Mr. Walker claimed on Tuesday night that the measures would have to be wholly financed by France and not partly by the Community, the Commission does not rule out the possibility of EEC help.

For wine, Mr. Walker relaxed his opposition to the high level of EEC aid to French and Italian wine-growers proposed by the Commission. He eventually compromised on a figure half way between the Commission proposal and the level he had sought. However, Britain's total contribution to the scheme will be only £40m over seven years, just over half the cost of the original proposals.

At the same time, the Commission would negotiate voluntary export restraint agreements with the main non-Community lamb and mutton exporting countries, such as New Zealand, Australia, Argentina, Uruguay and South Africa.

However, in the meantime the French are still in a precarious legal position regarding their ban of British lamb imports. France had hoped that, pending the adoption of EEC lamb and mutton regulations, the Commission would extend its deadline, by which France was required to respect a European Court of Justice ruling that it should re-open its frontiers to British lamb.

At the same time, the Commission would negotiate voluntary export restraint agreements with the main non-Community lamb and mutton exporting countries, such as New Zealand, Australia, Argentina, Uruguay and South Africa.

The kind of solution the French Government has in mind is that, for a limited period of several months, an equalisation tax of 20 per cent would be levied on British lamb imported into France. This would bridge the gap between domestic lamb prices in the UK and the much higher prices on the French market.

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France more hopeful of settling UK issues

BY ROBERT MAUTHNER IN PARIS

THE FRENCH Government last night gave its stamp of approval to a 5 per cent devaluation of the "green" pound and lira. The Brussels decision had been referred back to Paris.

Commenting on the agreements reached in Brussels, which include a reform of the wine market considered to be of particular importance by France, French officials denied that disagreements between Britain and France had reached a crisis. They stressed that the compromises reached were evidence of a much better atmosphere, which should also make it easier to settle the problem of Britain's contribution to the Community budget.

As far as the French are concerned, the prospects for solving the bitter dispute with the UK over imports of British lamb into France, have also improved. Though the proposals for an EEC sheep meat regulation made by the Brussels Commission falls short of French demands, the French Government is at least satisfied that discussions on this problem are under way.

France clearly hopes to obtain some guarantees covering the transition period, during which the French market would be re-opened to lamb and mutton imports from the UK, but would not yet be protected by Community regulations.

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New Soviet fighter under test

By Michael Donne

THE SOVIET UNION is developing an advanced fighter aircraft that would be competitive with the latest U.S. combat aircraft designs, according to the latest edition of Jane's All The World's Aircraft.

U.S. reconnaissance satellites are reported to have photographed the aircraft at the Rameshkovye flight test centre in the USSR.

The aircraft is believed to emanate from the Mikoyan design bureau which was responsible for the Mig 25 Foxbat, hitherto the most advanced Soviet fighter.

Mr. John Taylor, editor of Jane's, says that the advances made in recent years by the various Soviet aeronautical design bureaux have been impressive, particularly in the field of heavy-lift and assault helicopters.

However, the U.S. Department of Defence believes that America is still ahead in avionics (airborne electronics), munitions and standards of pilot training.

Mikoyan has been for many years the major Soviet fighter design bureau, responsible for a long line of combat aircraft, culminating in the MiG-25 Foxbat, which first emerged in the mid-1960s and which has subsequently evolved into several versions.

The new Soviet combat aircraft design is said by Jane's to be of the same class as the U.S. Northrop F-18, a multi-role light-weight supersonic fighter now under development for the U.S. Air Force and Navy.

It is known in the U.S. Defence Department as "Ram-L", but virtually nothing else is known of it at the stage. A "highly provisional" three-view drawing, published in Jane's, shows it as a single-seat swept-delta winged aircraft, with twin engine intakes and twin tail fins.

The Jane's report is not likely to come as a surprise to Western intelligence services. The time lag since the emergence of the MiG-25 Foxbat and the other most recent Soviet fighter, the Sukhoi Su-19 Fencer, is such that an advanced combat aircraft was inevitable around this time. The only question was precisely when it would emerge.

Jane's All The World's Aircraft, 1979-80; Jane's Publishing Company; £35.

However, the U.S. Department of Defence believes that America is still ahead in avionics (airborne electronics), munitions and standards of pilot training.

Mikoyan has been for many years the major Soviet fighter design bureau, responsible for a long line of combat aircraft, culminating in the MiG-25 Foxbat, which first emerged in the mid-1960s and which has subsequently evolved into several versions.

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Emergency meeting on Italian violence

BY PAUL BETTS IN ROME

THE ITALIAN Prime Minister, Francesco Cossiga, is expected to hold an emergency Cabinet meeting tomorrow to review the alarming revival of political violence, coinciding with a period of growing political and economic uncertainty.

This follows the unopposed and demoralised public opinion and the suspension of the industrial management school in Turin on Tuesday evening.

Some 12 gunmen, claiming to belong to the "Front Line" terrorist group, which has links with the Red Brigades, shot in the legs five students and five lecturers. Four of the latter are employed by the Fiat car group and the other by Olivetti.

In the aftermath of the raid, Italy's main union confederations held a token one-hour national strike yesterday in protest.

The latest revival of political violence is seen as a new attempt to destabilise the country at a time of growing internal political, social and economic tensions. In recent months, extreme Left-wing terrorists have mounted a series

of attacks against the police forces and the establishment in general in what appears to be an attempt to create a climate of fear and intimidation in the main industrial cities.

The repeated attacks and killings of police officers have increasingly exasperated public opinion and demoralised the police forces. General Corral, head of the Italian police, recently called for greater powers and resources for his force.

The Italian Communist Party yesterday tabled a motion in Parliament formally condemning the Government's handling of the dispute which has resulted in the suspension of oil deliveries by Saudi Arabia to ENI, the State hydrocarbons agency. This move reflects a marked hardening of the Communist position against Sic. Cossiga's administration.

AP-DJ adds: Venezuela will supply Italy with 5m tons of crude oil in 1980, or double its shipments this year of both crude and refined oil products. The Budget Ministry announced

yesterday, coincidentally agreed without a vote to set up a commission to investigate allegations of police torture of Basque detainees, does not substantially diminish this.

The kidnapping was claimed by the political-military wing of ETA, a faction that had supported the autonomy statute initially. They demanded sweeping concessions including the withdrawal of the paramilitary security forces from the Basque country, the release of all political prisoners, and the integration of Navarre province, at present a separate entity, into the new Basque autonomous region.

However, the kidnap triggered a national outcry. Sr. Ruperez is a popular figure who had shown sympathy for the Basque cause and had a reputation as a liberal. The Left-wing Basque party Euzkadiko Ezkerra, which acts as the political front for the political-military wing of ETA, was badly embarrassed by the action.

Basque guerrillas release kidnapped Spanish MP

Basque guerrillas have released a kidnapped Spanish MP, after a month-long kidnap. He was freed without any public concessions by the Government, though at the outset the kidnapers made substantial demands.

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Reuters to merge services

By Our Foreign Staff

REUTERS news agency, LONDON, announced yesterday that it would merge its economic and general news services from January 1.

The action ends the separate, loss-making service of news to newspapers, radio and television and integrates it with the highly profitable service to business and finance houses.

The move endorses a gradual change of emphasis at Reuters which has taken place over the past five years. The agency has seen a phenomenal growth in the use of its services by television through computerised information retrieval services which now account for the bulk of the £70m turnover.

A Reuters announcement said that Mr. Manfred Paezel had been appointed editor of the merged Reuters World Service responsible to Mr. Michael Reupke, the editor in chief.

Mr. Jack Henry, present editor of Reuters World Service is to retire after 33 years of service.

Mr. Gerald Long, Reuters managing director said that the merging of the editorial operations was designed to make most efficient use of Reuters' journalistic resources to produce services of excellence for all Reuter subscribers.

Senior Reuters executives were quick to deny that the move meant the end of or a deterioration in the general news operations. But senior agency journalists there was a feeling of resignation that the integration had to come.

The employees of Reuters North America, meanwhile, are to vote next week whether or not to become members of the powerful Teamsters Union. Reuters staff currently belong to the American Newspaper Guild, the traditional journalists union, which has been severely weakened in recent years.

The Guild has been in preliminary negotiations with Reuters management over a three-year contract due to take effect at the start of next year. But doubt has emerged among the Reuters staff about the Guild's ability to finance a strike if a settlement is not concluded.

Norway's TUC claims \$100,000 from Mobil

By Fay Gjester in Oslo

NORWAY'S TUC is seeking \$100,000 (£45,680) compensation from Mobil for the dependence of three union members who died in a fire on a North Sea oil platform nearly two years ago.

The claim has been prepared by the TUC's legal office, which describes it as "a minimum demand." If Mobil refuses to settle, it will be sued for a much larger amount, according to Mr. Karl Nandrup Dahl, a TUC lawyer.

Barre uses threat of early poll to make Gaullists toe the line

BY ROBERT MAUTHNER IN PARIS

RAYMOND BARRE, France's Prime Minister, issued a clear warning yesterday that an early general election would be held if Gaullist opposition to the Government continued to place it in a minority in Parliament. The present Assembly has more than three years of its term to run.

In an unusually belligerent interview with a French provincial newspaper, M. Barre said that if the Government failed to win the backing of the coalition parties because they were opposed to its policies, "the people will decide."

The Prime Minister's statement was an obvious reference to the obstructive tactics employed in the National Assembly by the Gaullist RPR party, which refused recently to support the Government's 1980 budget and legislation for financing the social security system's deficit. As a result of Gaullist opposition, M. Barre was obliged to use a "last resort" constitutional device twice in two weeks to push legislation through Parliament.

M. Barre said he was convinced that, if the Government went to the country, the French people would severely condemn any political party which, in the present difficult situation for the world and France, questioned the choice made by the electorate in the 1978 general election.

The Prime Minister claimed that he had always been prepared to hold regular and close consultations with the parties making up the Government majority. But he was not disposed to knuckle under to any party, even if it was the single most important group in the National Assembly, as is the RPR.

Taking a Gaullist line, M. Barre said that France was in danger of reverting to the "party regimes" of previous republics. It was not the job of a party to govern, but that of the Government. While he respected the prerogatives of Parliament, he also respected the French constitution and would not hesitate to use it to enable the Government to carry out its policies.

Under Article 49 of the Constitution, the Government can make any legislation a question of confidence. The Bill in question is then automatically adopted unless a censure motion tabled in the National Assembly obtains an absolute majority. This was the procedure adopted by M. Barre for the budget and social security legislation, but it is clear that it was intended by the drafters of the constitution as an exceptional device, which should be used sparingly.

Given the deterioration in relations between the Gaullists and the Government, it now looks as if the Government will be forced to employ this procedure regularly if it wants its legislation to pass. The spectacle of a Government ruling virtually by decree would undermine its authority in the long run.

The warning that Parliament might be dissolved before the legal end of its life is clearly a last attempt by M. Barre to bring the recalcitrant Gaullists to heel. The Prime Minister knows that the Gaullists, whose popularity rating is not very high at the moment, are not anxious to have an early general election.

Warning on risk to DM stability

BY JONATHAN CARR IN DUESSELDORF

SERIOUS PROBLEMS would face West Germany if it became a country with a persistent current account deficit while its currency simultaneously gained a growing reserve role. Dr. Wilfried Guth, board spokesman (in effect, executive chairman) of the Deutsche Bank has warned.

He told a news conference here that unless West Germany was careful—and in particular looked to measures to keep its export growth strong—it could end itself with similar difficulties to those faced by the U.S. Dr. Guth noted that the present current account deficit was not a cause for concern. Indeed, West Germans should be glad that they were thus contributing to a better balance of international trade and payments.

anti-inflation policy because of the inflows. The resulting upward pressure on the Deutsche Mark could make it still harder for West German exporters to stay price competitive abroad—thus contributing to a continuation of the country's deficit.

With his comments, Dr. Guth has underlined the rise of a problem for West Germany which has received little general comment so far.

On the one hand the country this year faces its first current account deficit for 14 years, thanks in particular to a strong surge in imports and to a bigger deficit on services. On the other, the Deutscherbank now accounts for roughly 11 per cent of the reserves of non-German monetary authorities, and the trend is towards a further increase.



OVERSEAS NEWS

# Iran aims at cutback in world oil production

BY ANDREW WHITLEY

IRAN IS to make a worldwide cut in oil production its top priority at next week's ministerial meeting of the Organisation of Petroleum Exporting Countries in Caracas. Mr. Ali Akbar Mojtahidabadi, the Oil Minister, said yesterday that Iran intended to cut its production below its present level of 3.5m barrels a day and felt the majority of OPEC's members would do likewise.

In the second prong of an international diplomatic offensive, Mr. Ali Reza Nowbari, governor of the Iranian central bank, was due to leave Tehran yesterday on a tour of North Africa and Europe to lay the ground for legal action to recover the Shah's fortune abroad.

Mr. Nowbari told a Press conference on Tuesday that court proceedings would aim to prove that the Shah and members of his family embezzled \$10bn of the country's money. In a test case, a petition to freeze an initial \$800m is to be filed with European and U.S. courts within the next few days.

In developments over the continuing crisis in the Azerbaijan region, Ayatollah Khomeini yesterday reaffirmed his hard-line stance towards his religious and political rival, Ayatollah Shariat-Madari, who leads the Azerbaijan community and the middle-class opposition to Khomeini.

Addressing a crowd in Qom, the revolutionary leader said "opponents of the constitution," which Shariat-Madari has openly criticised, were "opponents of the nation." However, as in the past, a softer line has emerged from Khomeini's associates concerned with the actual implementation of policies.

Dr. Mohammad Beheshti, head of the ruling Revolutionary Council, told reporters that the executive was considering allowing the establishment of a federal system which would satisfy the demands of the ethnic minorities. Up to now Iran's central authorities have refused to consider such a scheme.

Two more senior clergymen loyal to Khomeini yesterday joined in the pressures on Shariat-Madari to disavow his party, the Moslem People's Republican Party, and "to bring shame on the plotters" in Azerbaijan.

# China nuclear power boost urged

CHINA SHOULD begin facing nuclear energy development immediately as a power source, using foreign assistance where necessary, according to Zuo Hu, a Chinese Government scientist.

In an article in the Guangming daily newspaper, Mr. Zuo, deputy chief engineer of the Second Ministry of Machine Building's nuclear power bureau said China was already qualified to develop nuclear power. But to bridge the gap with advanced countries, it should study the question of importing technology, equipment and materials as needed.

The fundamental problem facing nuclear energy development in China was that the country did not have a clear policy or long-term programme for utilising energy resources, Mr. Zuo added.

Ten to 15 years' preparation was needed to develop nuclear power, the article added. "Things will be postponed to the next century if we do not start the work now."

The best way to avoid transporting coal from the north of China to the south, was to build nuclear power stations in the south, where energy sources were lacking, Mr. Zuo suggested.

Referring to the Three Mile Island mishap, Mr. Zuo said it had not produced a real health problem. "It produced a psychological influence, because of the propaganda of anti-nuclear organisations and exaggerated reports in the Press."

"According to a public opinion poll made in some areas of the U.S. in April, the majority of people still favoured the development of nuclear power."

"The necessity for developing nuclear power should be affirmed in China."

Earlier this year, China suspended negotiations to buy two reactors from France.

Reuter

# Formula agreed for Zaire debts

BY TERRY DODSWORTH IN PARIS

ZAIRE'S principal western Government creditors have reached agreement on rescheduling a large part of the country's outstanding debt.

The formula for the Government debt, which amounts to an estimated \$4bn, will now be put to individual creditor countries for bilateral agreement.

The rescheduling is a significant step in the programme for repairing the strategically important central African country's shattered economy.

Of the \$4bn, about half is nearly due for repayment. Under the formula worked out in Paris, the repayable element is being rescheduled over the next three years.

The rescheduling will depend on how closely Zaire keeps to the terms of an agreement on economic management signed with the International Monetary Fund in July.

President Mobutu has been given strict guidelines on his country's balance of payments and budgetary deficits and is expected to rein in sharply the growth of credit and money supply.

The rescheduling follows a recent accord in Brussels between Governments sympathetic to the pro-Western stance of Zaire's President. It was agreed to give Zaire \$206m in emergency aid for 1980.

But Zaire continues to face serious economic worries with a balance of payments deficit for 1980 estimated at \$423m. There are also problems with the deterioration of the transport system and the high level of corruption.

# Saudi, U.S. and IMF payments aid for Zia

By David Housego, recently in Pakistan

PAKISTAN, which had virtually exhausted its foreign exchange reserves three months ago, has now arranged sufficient overseas financing to cover its expected balance of payments deficit in fiscal 1979-80.

Relief has come from a \$140m drawing from the International Monetary Fund's trust fund, a \$200m grant from Saudi Arabia and about \$150m of short-term loans arranged through Bank of Credit and Commerce International and Citibank.

The Government does not expect to have to deplete the reserves beyond the already dangerous level of \$150m—the equivalent to about two months' imports—to finance its current account deficit or to meet debt repayments. The reserves stood at \$386m at the end of the Pakistani financial year in June which was virtually half the level at the end of 1977-78.

Negotiations with the Western consortium of donor nations over debt relief or with the IMF for further support are said to be making little progress. A borrowing from the IMF trust fund, such as that which recently Pakistan made, does not impose the tight conditions associated with most IMF loans.

Donor nations and the IMF are pressing Pakistan to carry through a stabilisation programme that would include a sharp cutback in the budget deficit through phasing out subsidies, reducing development expenditure and increasing taxes. The budget deficit is now expected to be nearly \$6bn rupees (\$6.7bn), almost double what had been anticipated, because of higher outlays on supporting refugees from Afghanistan and increased petroleum subsidies.

President Zia-ul-Haq is resisting the IMF's deflationary package because of the political cost of higher unemployment and of further increases in the cost of living that a reduction in subsidies would imply.

Without major debt-rescheduling or further assistance from the IMF, Pakistan is expected to run into a further balance of payments crisis next autumn.

# RHODESIA AFTER SANCTIONS

# The 'carpetbaggers' pour in

BY QUENTIN PEEL IN SALISBURY



THE ARRIVAL of Lord Soames as British Governor in Rhodesia yesterday marked the end of 14 years of British trade sanctions on the rebellious colony. It is a moment long awaited by Rhodesians, starved of consumer goods and industrialists, desperate for spare parts and new capital goods. Yet in the event, it is likely to prove something of an anti-climax.

The prospect of sanctions being lifted is one which has brought a notable influx of cosmopolitan businessmen to Salisbury in recent weeks — South Africans, British, Japanese, American, German, French and Swiss. There have been bankers, taking a look at the prospects of a potential new borrower. The mining houses have been renewing dormant contracts. Traders, in anything from children's toys to aircraft, have been looking for potential deals. But the local business community is treating the whole exercise with scepticism.

"We have had the carpetbaggers here in a big way," Mr. Brian Stringer, Chairman of Air Zimbabwe Rhodesia, the national airline, said. "All the rats and mice will be running around trying to pick up business. They will get short shrift from Rhodesian businessmen, who are pretty hard-headed."

Part of the reason for the scepticism is that sanctions, although irritating, have never proved really debilitating. They have been circumvented both by local production of spare parts and by ineffective international policing of the system.

But at the same time there is a recognition that now it is Rhodesia itself which cannot afford to open its economy to allcomers, because of the fragile and highly protected industries which have been built up within the country. Finally, and most important, the lifting of sanctions, and the arrival of a British governor is seen as no guarantee of the stable political solution required for a real economic revival.

Nevertheless, the lifting of sanctions will have some rapid effects, and some have been seen already. In the first place, Rhodesian exports, such as copper, chrome, nickel, asbestos, tobacco, beef, sugar and citrus fruit, will benefit from an immediate improvement in the price they can command on international markets. Rhodesian officials put the improvement from being able to sell direct, rather than through subterfuge or middlemen, at between 15 and 20 per cent in foreign exchange earnings, or about £100m a year. At the same time, imports are likely to prove cheaper again because of direct trading by some 5 per cent.

The prospect of an early improvement in foreign exchange earnings has already been acted on by the Rhodesian government, in granting an extra R\$10m in import permits last month. Some R\$3.6m went to retail stores, which promptly spent the money on toys and games for Christmas. Familiar names like Monopoly, Meccano, Lego and Dinky, unheard of in Salisbury for several years, were sold out within hours of arrival.

However, much of the improvement in the balance of payments may be offset by sluggish international markets for Rhodesian commodity exports. The government cannot afford any significant relaxation in import controls for fear of precipitating a massive balance of payments deficit.

On the agricultural side, export earnings will not show any improvement until the harvest season which begins around next May, with tobacco and cotton perhaps two months earlier. Other bottlenecks remain. Transport congestion has plagued exports for the past year, as has the shortage of skilled labour. Neither will be solved by the lifting of sanctions.

Priority for available foreign exchange will certainly go to capital goods, to replace the ageing equipment still used by most Rhodesian manufacturers. Even that is likely to be rationed. Major capital spending programmes are also planned by the Electricity Supply Commission, Rhodesian Railways, and Air Zimbabwe Rhodesia, if finance is available.

If there is likely to be some pick-up in trade, foreign investment will be much slower to return, the business community believes. The major difficulty is the lack of a clear political solution in the country until an election has been held. Even mining companies with known prospects are sitting tight until they see the political make-up of the future Government and an end to the guerrilla war.

What is most noticeable about the Salisbury business community is its almost unanimous rejection of any solution which involves the Patriotic Front alliance. The overwhelming majority of otherwise pragmatic white businessmen refuse even to contemplate working under such a Government.

However, they also believe that some more sympathetic terms may yet emerge, either headed by Bishop Abel Muzorewa or Mr. Joshua Nkomo alone, and they are staying on in that hope. The same sympathy is undoubtedly held by the multinational, with interests in Rhodesia, although they generally feel more capable of surviving under a more hostile Government.

# Britain to give way on poll observers

BY BRIDGET BLOOM, AFRICA EDITOR

BRITAIN SEEMS to have accepted reluctantly that an independently organised team of Commonwealth observers should monitor the forthcoming Rhodesian election.

However, details of proposals for such a team are likely to be disputed by British representatives at a meeting in London this morning of the Southern Africa committee on which all 42 Commonwealth governments are represented.

The proposals, put forward by Mr. Sonny Ramphal, the Commonwealth Secretary-General, envisage an observer group of some 10 people who would be nominated by their governments but would serve in an individual capacity. They would include senior election experts and also diplomats and politicians and would be backed by a staff of up to 150.

The observers would include representatives from Nigeria, Australia and Canada. They would observe the Rhodesian election from the beginning of the campaign and would make an independent report to the Commonwealth Heads of Government.

Britain objects to key details of the proposals, most notably that it, as the governing authority in Rhodesia during the election, should provide for all the local needs of the team including independent transport and office accommodation. The Government maintains that the projected team is too big and would be too costly. Costs are estimated at about £400,000, excluding what could be substantial local requirements.

Behind these detailed British criticisms are more fundamental objections. Lord Carrington, the Foreign Secretary, has maintained privately for several weeks that whatever Commonwealth Governments might have thought they collectively agreed in Lusaka last August, a Commonwealth observer group of the type suggested by Mr. Ramphal could undermine the flexibility of Lord Soames, the Governor, as he tries to juggle the complexities of holding an election while trying to maintain a ceasefire.

Some three weeks ago Lord Carrington issued invitations to each of the Commonwealth Governments to send, and to pay for, their own observers of the Rhodesian election.

However, faced with an apparent Commonwealth majority in favour of the secretary's plan for an independent team, the Government will accept it under protest, though it may try to hand the problem of funding the team back to individual Commonwealth countries.



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Western world already takes for granted. Think also how wave power would be another form of energy that releases us from our dependence on oil. The technology is already here. Understandably, technology, plant and equipment on the scale needed would take massive and imaginative financing.

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AMERICAN NEWS

WORLD TRADE NEWS

Oil dependence warning

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

THE WORLD faces "difficult economic problems, major uncertainties and potential financial strains" as a result of its excessive dependence on expensive oil, Mr. Anthony Solomon, the U.S. Treasury Undersecretary, told a Congressional hearing yesterday.

Now 80 per cent higher than they were a year ago—a steeper increase than the nominal two-thirds rise in the official OPEC price.

This, he said, had had "a dramatic effect" on global payments patterns. In 1979, OPEC was likely to run up surpluses of about \$60bn, having been nearly in balance last year, while the industrialised countries would be \$30bn in deficit.



Mr. Anthony Solomon

Although Mr. Solomon took some consolation from the fact that the payments burden was now more evenly shared among the industrialised countries, he

doubted that economic growth in the OECD bloc would be more than 1 per cent next year (perhaps as much as 2.3 per cent outside the U.S.)—and even this modest advance was contingent on no major oil price increase.

Globally, he estimated that this year's oil price increases alone meant that payments financing needs will amount to about \$85bn this year and "substantially more" in 1980, compared with an annual average of about \$77bn in the previous four years.

Control of spot market 'the key to stability'

BY KIM FUAD IN CARACAS

ORDER IN the world's oil markets can only be restored through concerted efforts by oil producers and consumers to reduce activity and high prices, paid on the spot market, Dr. Humberto Calderon Bertli, the Venezuelan Minister of Energy, said yesterday.

have decided to move to the \$23.50 ceiling set for the second half of this year, which was broken in November by the North African producers. Such a move would recreate a unified structure for official selling prices at least temporarily.

switching from the dollar as a means of payment. "Each country has the sovereign right to demand the currency of its choice for payment for its oil exports," Dr. Calderon explained, saying—

Kathleen Bishtawi reports from Abu Dhabi: The local newspaper Al Fajer yesterday reported that four oil producing states intend to increase their oil prices by between 86 and 88 within the next two days.

Companies bid \$1bn in Alaska

By David Lascelles in New York

OIL COMPANIES made just over \$1bn worth of winning bids for the right to explore for oil and gas in the Beaufort Sea off Alaska.

Canada's energy prices to rise

BY OUR OTTAWA CORRESPONDENT

CANADIANS face a steep increase in the price of energy as a result of the long-term strategy disclosed in the first budget speech delivered by Mr. John Crosbie, the Finance Minister in the Progressive Conservative Government.

reduced personal income taxes will be counterbalanced by higher excise duties and a temporary 5 per cent surcharge on corporate income taxes.

which will put up the price of oil sold on the domestic market in three stages next year by 10 per cent, 15 per cent and 20 per cent.

Connally refuses federal financing

BY OUR U.S. EDITOR IN WASHINGTON

MR. JOHN CONNALLY has decided to do without federal financing in his pursuit of the Republican Party's presidential nomination.

campaign, is eyeing the primaries in New Hampshire and Florida, in both of which he is spending money at a rate which will soon reach statutory spending ceilings.

Under the federal election laws, if a candidate exceeds the ceilings in early primaries, he may not subsequently apply for federal financing.

apparent impregnability of Mr. Reagan's lead, but this may well have been alleviated by the release of another Gallup poll yesterday recording Mr. Carter's astounding recovery in popularity which showed, inter alia, that the President now leads Mr. Reagan by 60 to 38 per cent.

Discreet moves by France to rebuild Vietnam ties

BY DAVID WHITE IN PARIS

NEARLY five years after South Vietnam fell to the Communists, the one-time colonial power in the region is quietly rebuilding its commercial relations.

among France's former Indochinese protectorates with which Paris still has diplomatic relations. Relations with Laos are suspended, and there are none with Vietnamese-controlled Cambodia.

The French colonial period in the region ended 25 years ago after a six-year war. Up to 1975, 60,000 Vietnamese had arrived in France. As many have arrived since then, not counting the thousands of French nationals of Vietnamese origin or the number of clandestine refugees.

The Vietnamese, in order to reduce their chronic trade deficit, have pressed for compensatory contracts for their orders of French machinery.

Petrodollar problem worries U.S. bankers

By Stewart Fleming in New York

BANKERS in the United States are adding their voices to the growing concern about the ability of international banks to finance developing countries through what they expect to be a protracted period of current account surpluses in Organisation of Petroleum Exporting Countries (OPEC).

Japan 'reconsidering' its Iranian spot oil purchases

BY CHARLES SMITH IN TOKYO

JAPAN WILL reconsider the "timing, volume and prices" of its spot purchases of Iranian oil following U.S. protests that the heavy purchases made by Japanese trading companies during the past month have amounted to "cashing in" on the difficulties the U.S. currently faces with Iran.

Japan's position on oil imports is now falling rapidly. Japan normally buys about 10 per cent of its oil under direct deals negotiated between trading companies and the National Iranian Oil Company.

W. German oil technology hopes

BY ROGER BOYES IN BONN

WEST GERMANY has a strong chance of expanding its market share in offshore oil technology during the 1980s, in spite of the sharp competition from the U.S., Britain and other European countries.

projects have materialised in West Germany. Finally, West Germany has only a short coastline on the North Sea with negligible shelf rights. The recent discovery of more oil in the Baltic by a consortium which includes the West German companies Wintershall and Deutsche Texaco could, however, give an important boost to offshore producers.

Supra widens overseas base

BY PETER CARTWRIGHT

THE SUPRA Group, taken over by Mr. Quintan Razell six years ago as the base from which to start another automotive spares business, has just penetrated its 80th export market.

a larger share of the expanding European do-it-yourself market because of escalating garage costs. It has bought a controlling interest in a small business turnover and profits have increased fivefold and about 25 per cent of its output is sold overseas.

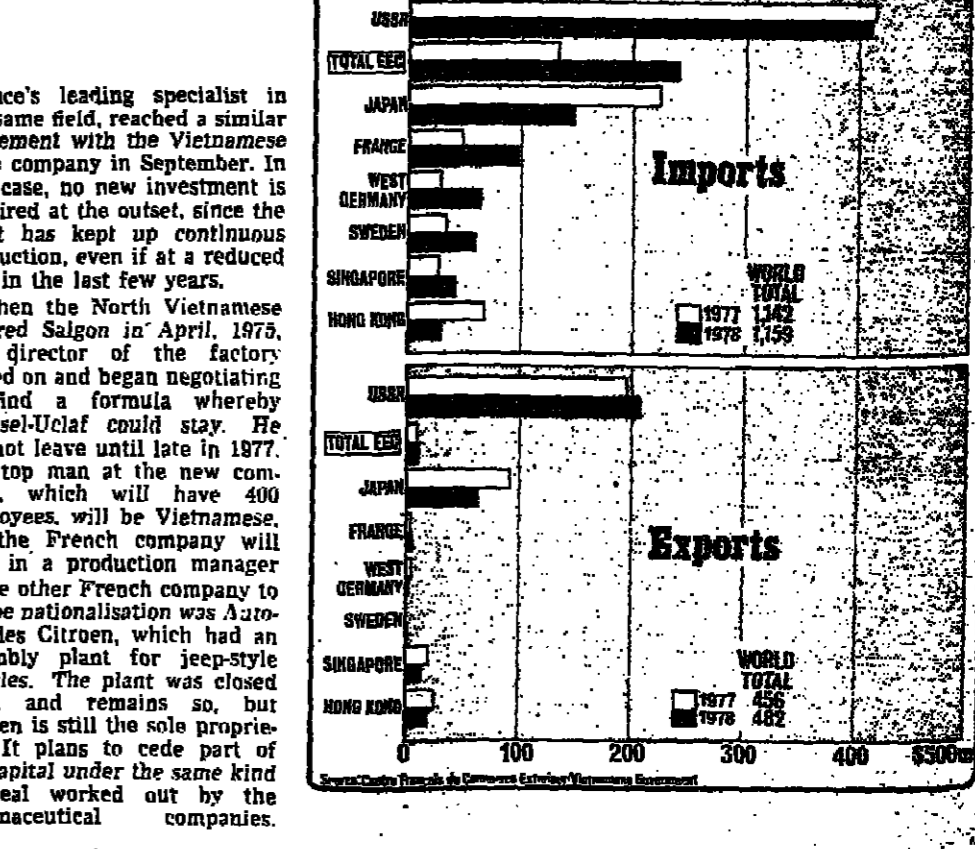
UK company in joint Hong Kong shipyard link

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A & P APPLDORRE International of the UK has linked up with the C. Y. Tung Group and Chung Wah to build and operate a new shipyard in Hong Kong.

Jordan dam project moves ahead. AMMUN — Contractors have been invited to submit pre-qualifications before bidding for the construction of Jordan's largest dam on the Yarmouk River, which forms part of the Jordan/Syria border.

Vietnam's Trade



هكذا من العمل



UK NEWS

No Oxbridge bias here, says Civil Service

BY PHILIP BASSETT

ACCUSATIONS OF bias in favour of public-school, Oxbridge-educated candidates for the Civil Service's administration trainee scheme are denied in a report published today by a Civil Service Commission committee of inquiry.

The review, which is designed to express able new entrants through the ranks, was set up in response to criticisms of bias in selection by the House of Commons Select Committee on expenditure.

The committee pointed out the often-repeated charges that the scheme favoured pupils of fee-paying schools, graduates from Oxford and Cambridge and arts rather than social or natural science graduates.

The report of the committee under Dr. F. H. Allen, First Commissioner of the Civil Service Commission, argues, however, that "the system itself is a greater safeguard against the favoured treatment of an individual or a group than its substitution by an objectivity which, in the present state of knowledge, is likely to be spurious."

It says that critics tend not to be fully informed about the scheme; the Commons committee, for instance, did not take up an invitation to see a selection board at work. What the committee said in the report, without benefit of such experience, may well have had the effect of further entrenching the myth of unfair bias.

The report admits to discrimination in the selection procedure, but says that this is essentially related to the needs of the job and the qualities required in an administrator in the Civil Service.

candidates do well in the selection procedure—a success rate of 18 per cent as compared to the 5 per cent rate from other universities.

But the committee takes the view that the two universities attract a disproportionately large number of the ablest school leavers, which with the type of teaching system practised at the two universities is bound to produce the type of candidate for which the Service is looking.

A fair procedure, too, it argues, is not necessarily one in which candidates from different schools or universities have the same success rates, but it urges the Commissioners to concentrate further on recruiting the most able graduates from other universities and the polytechnics.

If the present method of selection which is providing fewer entrants of the highest quality, continues, it says, an expansion of the field to be drawn upon will not only be desirable but necessary.

In particular, fewer of the most able graduates from Cambridge are applying. Both the number of applicants and successful candidates from Cambridge have declined in recent years.

The report also notes that first-class honours graduates performed better in the scheme than those with second- and lower-class degrees, and that in 1978 14 per cent of Oxbridge candidates had first-class degrees compared with only 5 per cent from other universities.

(Report of the Committee on the Selection Procedure for the Recruitment of Administration Trainees: Civil Service Commission, 1979.)

Wage claims 'based on growth of real earnings'

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE GROWTH in real after-tax earnings is the basic yardstick upon which pay claims are based according to a new study published this morning by the Society of Business Economists.

Writing in the Business Economist, the society's journal, Mr. John Thornton of the Bank of America argues that the increase since the 1950s in the social wage—expenditure on the social services and payments financed by the Government via wage deductions—does not appear to have met with any trade-off in lower pay demands.

Over the past 25 years these claims seem to have been aimed at achieving a steady growth in real disposable income.

Government take in tax and insurance contributions from the average worker's pay packet rose from 3 per cent in 1952 to 23 per cent in 1975.

Increased Government deductions from wages were positively related with higher wage levels, especially in the 1963-75 period. Every 1 per cent increase in the rate of deduction by the Government appears to have had a 0.85 per cent impact on wage rates.

Moreover, far from higher wages appearing to be a result of higher profits the growth of wage and of profits conflict with each other.

Available from the Society of Business Economists, 11, Bay Tree Walk, Watford, Hertfordshire WD1 3EX, price £4.50.

Airlines 'not gifted in art of communication'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

KEEP passengers informed of delays and difficulties over flights the Air Transport Users' Committee tells airlines and airport authorities in its annual report, published yesterday.

"There seems to be no airport or airline in the world that fully understands the art of communication with its users," it says. "Every reasonable traveller knows that delays may occur, and errors may be made, for reasons quite outside the control of any particular supplier. But passengers who are given no explanation of the trouble tend to become anxious, tense, irritable and on occasion even violent."

"This reacts upon staff, who may themselves be tired and harassed, so that they sometimes resort to giving any explanation that comes to mind, and a passenger may hear three different stories from three different officials."

"Of course, air passengers are not the only ones to suffer from lack of information. Bus stops, booking offices, Post Offices and stationary trains are all scenes where a bit of communication with those who wait would save much fraying of nerves."

The committee says "a soothing sound from an airport official, a sympathetic suggestion from an airline employee, a reassuring word from a tour operator's courier will not remove the problem or expedite the departure, but it may do wonders for the passengers' morale."

The committee also draws attention to the fact that smokers generate more and more complaints. Airlines are still slack about allocating enough non-smoking seats, and claim that cabin crews have no real authority to stop smokers lighting up, no matter where they sit. The committee is continuing to press the airlines to sort this problem out.

The committee is also concerned about the rise of nearly 300 per cent in the cases of malaria, reported in this country during 1978-1, 1,909 cases, including nine deaths. It suggests airlines and travel agents have been slow to pass on the message about tropical diseases.

Forget state aid, Scots urged

BY JAMES McDONALD

THERE IS no future for a Scotland demanding state aid "from Wick to Wigtownshire," Mr. Alan Devereux, immediate past chairman of the Confederation of British Industry in Scotland, told the Institute of Bankers in Scotland last night. "This Government won't do it

and the previous Government couldn't," he said in Edinburgh. Scotland must look squarely at such realities as the flight from Clydebank of 17 major companies in the past few years. There was a sharp distinction between master and servant within the place of work.

ANGER AND BITTERNESS AS A COMMUNITY'S FEARS BECOME REALITY

Steel closure leaves Consett without hope

BY A SPECIAL CORRESPONDENT

FOR THE second time in a generation, the County Durham steel town of Consett faces a future without hope.

The steelworks, the town's major employer for more than 130 years, closes in autumn under the British Steel Corporation's \$2,000 jobs cut.

The closure of the works, with the loss of 3,750 jobs, is expected to push male unemployment levels in the town up to at least 30 per cent, and may be nearer 40 per cent.

Already one man in eight is on the dole because of redundancies in the steel industry over the last few years and earlier pit closures.

Mr. David Watkins, Consett's Labour MP, says "We are facing nothing less than a return to the depression. Three out of four people in Consett are directly or indirectly dependent on the steel industry."

"Consett could become the Jarrow of the 1980s, there is no other industry in the town to speak of."

For generations, Consett has depended on coal and steel for prosperity. Over the last 20 years 15,000 jobs have been lost in the pits leaving only one small colliery employing around 300.

The steel industry, which was the remaining pillar of the community, has also shed over 3,000 jobs in the past five years.

The local authority and trade unions say Consett has never fully recovered from the pit closures, and with such total dependence on steel, now faces the second major crisis within a generation.

As news of the closure spread through the community of 36,000 people, the reaction was one of anger and bitterness with more than a measure of resignation.

Most of the anger is directed at the BSC which right up to last week insisted long-standing fears about the future of the works were groundless. Some of the apprentices who now face an uncertain future were only taken on last month.

The works, which have a capacity of 1.2m tonnes of steel a year, lost £15.2m last year but only £3.1m in the six months ending in September. In the last three months, the works has even made a modest profit.

"The whole town has been betrayed. We were told that we had to become profitable by March 1980 if we were to have a future. We have done it, but the works is still to close," said Mr. Watkins.

Consett steelworkers have a proud tradition. They produced the steel for Windscale and for Britain's nuclear submarines, and are today still acknowledged as the producers of some of the highest quality steel in



BSC. Like their MP, they feel betrayed.

Derek Saul, the managing director of BSC's Teesside division—which includes Consett—admits the works have not fallen victim to any inadequacy in its own performance but the

general problems of the steel industry.

The town, which suffers from a relatively isolated location in the Derwent Valley, has been bequeathed a legacy of serious environmental problems by the coal and steel industry and

neither the local authority nor Durham county council is optimistic about the prospects of attracting new jobs.

The steelworkers face journeys of up to an hour to find work in towns like Newcastle or Sunderland which have considerable unemployment problems of their own.

Consett's communications are already poor, and with the closure of the steelworks, British Rail is expected to shut the railway line.

A measure of the huge problems facing the town is that its major employer will now be Cellulaware, which although a highly successful business manufacturing table mats, mainly employs girls.

The only two large factories within a few miles of the steel town are the Ransome Hoffman Pollard bearing plant at Anfield Plain, and the Ever Ready battery factory at Tamfield Lea, but neither could hope to provide more than a nominal number of new jobs.

The steel corporation's job-hunting organisation BSC (Industry) has been active in Consett since the beginning of the year and has so far managed to attract five small firms employing 150 in total.

BSC (Industry) estimates the numbers employed by the five companies will rise to around 400 by 1982. Other companies will also be attracted to the

town in the coming months, but there seems little possibility of success on the scale required.

"I can't see any way that we are going to be able to find even a fraction of the jobs we are going to need. Our experience in Consett over the years has been that for every five jobs we lose only one is replaced," said Mr. Watkins.

"Shops are going to close, local businesses go bust and houses become virtually worthless. It won't happen immediately but you can't tear the heart out of a town and think things can go on just as before," said one steel union official.

The closure, which will increase the depopulation which has been a feature of West Durham for many years, has come at a particularly embarrassing time for the local authority.

Work has just started on a multi-million pound redevelopment of the town centre which will now be difficult to finance with the loss of the £1.5m rate income from BSC.

The end of Consett steelworks will create further problems for the Durham coalfield, which has been hard hit by BSC's increasing coke and coal imports. No pit-closures will be necessary, according to the National Coal Board, but the loss of a market for 200,000 tons of coking coal a year will have some effect on jobs in some pits.

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# Sacking of Govan chief condemned

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE BOARD of British Shipbuilders were yesterday accused of acting like dictators in sacking without notice or explanation Mr. Archie Gilchrist, chief executive of the Govan Yard in Glasgow, who was replaced on Tuesday.

Mr. Bruce Millan, Shadow Scottish Secretary, said he was appalled at the way Mr. Gilchrist, who had been at Govan for eight years, had been treated.

Any employee had the right to an explanation when he was dismissed, but Mr. Gilchrist had not been given one nor had the local directors of the shipyard been informed, much less consulted.

Mr. Millan demanded a statement from the Government and added: "It was acknowledged that during Mr. Gilchrist's period as chief executive excellent worker/management relations had been built up at Govan. These have to be safeguarded and assurances must be given about the yard's long-term future."

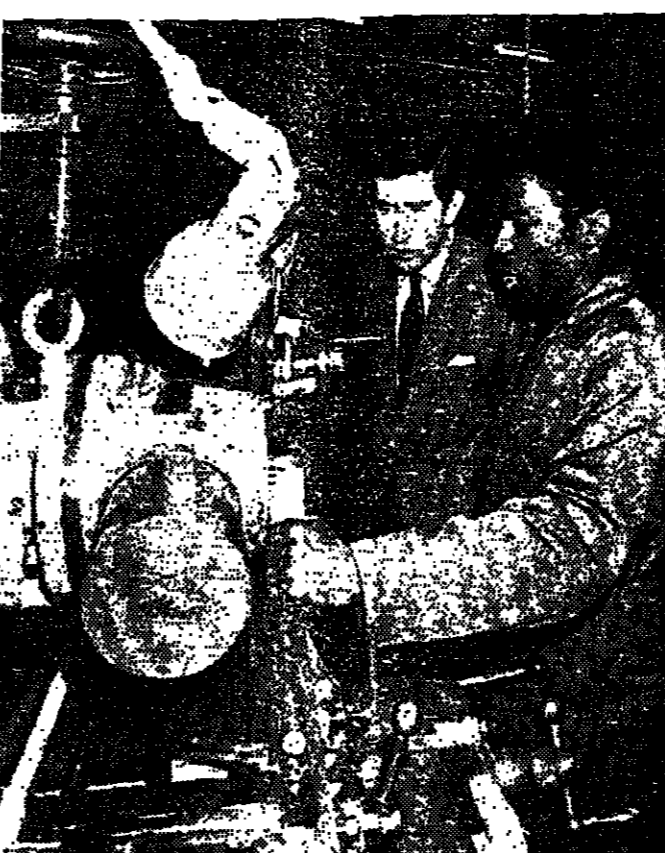
But at the Govan Yard a meeting of the workforce agreed to co-operate with the new chief executive, Mr. Eric Mackie, former head of British Shipbuilders' repair division.

In view of the confirmation of an order for two bulk carriers, they also agreed to drop their

opposition to the redundancy programme, which has already been negotiated with management and which will reduce the labour force from 3,500 to 3,200 by the middle of next year.

Mr. Sammy Gilmour, shop stewards' convenor, said that unions would not stand by and see shipbuilding ended on the Upper Clyde. The new orders just put things off and it was up to management to secure follow-up work for the yard.

The executive board of British Shipbuilders was due to have given a decision by yesterday to unions on the future of the Robb Caledon Yard at Dundee, which is under threat of closure. But it did not do so.



Prince Charles chats to 18-year-old apprentice Cecil Rowe at T I Raleigh, Nottingham.

# Machine tools face 20% demand fall in next five years

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

THE MACHINE TOOL industry faces a grim future over the next five years, according to forecasts which have been prepared for the industry by the Henley Centre for Forecasting.

Demand for machine tools, which are sometimes considered an indicator of overall capital spending by industry, is forecast to fall by 20 per cent in the UK over the period, with British machine tool manufacturers taking the brunt of the decline.

In 1972, these machines accounted for 7.2 per cent of sales but they had captured 12.3 per cent of the market by 1978.

Numerically-controlled machine tools increase considerably the amount of work performed by each machine. In the past year, the machine tool industry saw a slight recovery from the severe post-1974 recession. Sales by British manufacturers in 1979 are expected to total £292.8m (1978 prices) against £241.8m in 1977 and £270.8m in 1978.

# Sunderland wins £60m carrier orders

By John Elliott, Industrial Editor

THE SUNDERLAND shipyard of Austin and Pickersgill yesterday announced orders for two bulk carriers which bring the total value of work they have received in the last nine days to £80m.

The orders total nine ships and will provide work for the 3,000 workers at the yard until the first half of 1981. Intervention fund subsidies totalling about £12m to £15m are expected to be paid on the orders, under rules agreed by the European Commission, to help bridge the gap between the costs of British shipbuilding and prices obtainable in international markets.

# Moves to end Sasse case deadlock

BY JOHN MOORE

ATTEMPTS were being made yesterday to resolve a deadlock between underwriting agents and members of the disaster-struck Sasse syndicate of Lloyd's, facing £20.2m of losses over an arbitration to decide whether the members were liable for their losses.

Over half the 110-strong syndicate was planning to dispute its liabilities on the £20.2m losses through a judicial arbitration before Mr. Justice Musill.

Omissions underwriters would prevent them from participating in the arbitration.

Errors and Omissions underwriters provide the indemnity insurance cover for the professions. It could mean that the arbitration would be halted because of the disagreements. Lawyers acting for a large proportion of the syndicate members suggested this week that it might be necessary to issue a summons in the commercial court asking for an order to direct a speedy trial openly in the courts.

# Private sector invisible earnings rise forecast

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ABOLITION of exchange controls should give the private sector scope for increased invisible earnings, according to a Treasury analysis published yesterday.

A special article on trends in invisible trade in the Treasury's Economic Progress Report says the recent sharp fall in the traditional surplus "must be a cause of concern, particularly while a large deficit on the balance of trade continues."

The invisibles surplus was £670m in the first nine months of this year, a fall of £890m compared with the same period of 1978.

The Treasury points out that much of the deterioration has not been the result of the poor performance of invisible exporters as gross earnings have continued to grow.

The reduction in the surplus has arisen because of increased Government expenditure overseas (particularly on the EEC Budget), because of the increased profits earned by foreign oil companies in the North Sea, because of increasing foreign travel by UK residents, and because of a decline in net earnings from UK banks borrowing and lending in foreign currencies.

The Treasury suggests that exchange controls have probably reduced the net as well as gross stock of overseas assets below what it would otherwise have been.

"With a rising contribution to the visible account from North Sea oil the rest of the balance of payments has to adjust. With a floating exchange rate this must occur either by a deterioration in our non-oil trade or by a net capital outflow."

Exchange controls prevented any substantial adjustment coming about through the capital account and forced most of it to come through a deterioration in non-oil trade.

The Treasury says "removing exchange controls gives the private sector opportunity to save some income from North Sea oil investment overseas, rather than spending it on imports."

To the extent that this improves the adjustment fall on the capital rather than the current account, the building up of a wider range of overseas assets which provides additional income oil production starts to decrease. The abolition of exchange controls will also have indirect effects on our earnings. Our invisible exporters will be freed from regulations and requirements that previously involved a direct cost. Freedom in their customers' wider range of facilities should also help them to compete effectively.

# Full inquiry into U.S. water reactor likely

BY DAVID FISHLACK, SCIENCE EDITOR

THE GOVERNMENT is expected to confirm within a few days its intention to hold a public inquiry into Britain's first nuclear station to use the controversial U.S. pressurised water reactor.

Confirmation will follow the Government's awaited statement to Parliament of its plan to proceed with the demonstration 1,100 MW PWR based on the Westinghouse Electric design.

This demonstration was approved in principle by the Labour Government nearly two years ago.

But the public inquiry into the siting plans of the Central Electricity Generating Board for its first PWR is unlikely to take place before 1982, since the station design will not be ready before the latter half of 1981.

It is expected to be preceded by a public inquiry in Ireland next summer, into plans to build a 600 MW nuclear station at Carnore Point, in south-west Ireland. The reactor in this case is also likely to be a Westinghouse design of PWR.

# Heseltine in land plea for industry

By Elaine Williams

LOCAL AUTHORITIES were urged to try harder to cater for the needs of industry and commerce when deciding on future land use by Mr. Michael Heseltine, Environment Secretary, yesterday.

Although existing approved plans provide enough land for the needs of industry, Mr. Heseltine said: "Too often, the industrial sites are in the wrong place, or are the wrong size."

At the Town and Country Planning Association's national conference in London, he said many jobs had been unnecessarily and wrongly planned out of existence, with inner city areas particularly badly affected.

He reiterated his intention to simplify the country's planning procedures mainly to speed up planning processes.

He suggested that Britain could save perhaps £10m each year if small private planning application procedures were relaxed.

# Academics attack protectionism

BY OUR ECONOMICS CORRESPONDENT

THE increasingly vocal arguments for protection of British industry are strongly criticised in a study published today by the Institute of Economic Affairs.

The independent research body which argues for market-based solutions to economic problems.

Mr. David Greenaway, of University College at Buckingham, and Mr. Christopher Milner, of Loughborough University, argue that protecting sectional interests from market adjustment forces will only prevent the economy from reaping the often more hidden benefits of allowing resources to shift to employments with comparative advantage.

The authors examine tariffs as a way to correct market failures, paying particular attention to the infant industry argument. They conclude that although market failure may sometimes provide a case for some kind of Government intervention such as a tax and subsidy policy, trade restriction creates further distortions and further costs.

The study examines the proposals of the Cambridge Economic Policy Group headed by Mr. Wynne Godley.

# Stock exchange rules for third-tier market

BY CHRISTINE MOIR

DETAILED RULES for a third-tier market in company shares covering unlisted securities were published by the Stock Exchange yesterday.

They are the first attempt at a framework of regulations for companies in which there is active public interest, but which have not applied for a full-scale quotation in the market.

The rules are in the form of an exposure draft similar to those published by the accountancy bodies. Comments on them will be invited by the end of February from Government, institutions, the Confederation of British Industries, issuing houses and other interested bodies.

These comments will then be incorporated in a final draft which may be ready by spring, with the Stock Exchange managing the first formally regulated market in unlisted companies by summer.

As they now stand, the Stock Exchange proposes a set of 10 basic rules which will give smaller companies entry to the full facilities of the market, including money-raising powers and the right to use paper in takeovers, at a much cheaper cost than a full quotation.

# Prudential hearing ends

Financial Times Reporter

THE PRUDENTIAL Assurance Company's appeal against its election in the High Court against the City of London was dismissed yesterday after a hearing lasting seven months.

The case concerned the abolition of the introduction of the Representation of People Act of 1948 or, by force, by any other legislation.

Mr. Silk said after the hearing that he felt justified taking the matter further.

Lord Widgery said that under the ancient custom the election of aldermen in the City of London was a two-stage operation. First, candidates put themselves forward to the electorate in the normal way and, second, the successful candidates submitted themselves to the Court of Lord Mayor and Aldermen for their approval.

"I have come to the conclusion this is a perfectly valid custom," said Lord Widgery. "When I look back upon this case as a whole and ask myself how I feel about the retention of a somewhat undemocratic arrangement, my personal feelings, I confess, are not the ones causing any great distress or difficulties."

# Social services council will fight closure move

BY ERIC SHORT

THE PERSONAL Social Services Council, the Government-appointed watchdog committee covering local authority social services — yesterday decided to fight the Government's decision to wind it up at the end of the financial year.

The campaign, however, will take the form of persuading the Government to change its mind.

Set up by the previous Conservative Government following the Seeborn Report on the organisation of local authority social services, the Council is the central body for co-ordinating policy.

But in the reorganisation of the social security system, Mr. Patrick Jenkin, Social Services Secretary last week announced the end of the council as it no longer had an essential role to play.

# Typical Brueghel scene brings £170,000

Edmund Peaning-Rossell writes: Such has been the relative profusion of single bottles of ancient Laite vintages passing through the sale-rooms that their appeal appears to have been reduced. So

A TYPICAL scene by Pieter Brueghel the Younger, Return From a Village Fair, sold for £170,000, plus the 11.5 per cent buyer's premium and VAT, at a Sotheby's auction of Old Master paintings yesterday. The buyer was the London dealer, Mrs. Bear.

All told the sale brought £1,919,900, with a fair 18 per cent bought in. Another London dealer, Wengraf, acquired Dutch Shipping in a Calm by Willem van de Velde for £120,000 and a landscape by Jan van Goyen for £83,000.

Other high prices were £100,000 from the Belgian dealer Magnus for A Garland of Flowers and Fruit with the Virgin and Child, by Jan Brueghel I and Hendrik van Balen; £66,000 from a private Spanish buyer for a pair, Summer and Winter, by Peter Schoubroeck; and £62,000 for A Lady Listening to Music, by Jacob Ochtervelt.

An auction devoted to musical books and manuscripts totalled £30,951. Otho Haas, the London dealer, bought an autograph sketch leaf by Mozart for £12,000, while one of Beethoven's sold for £7,500. Christie's sold jewels for £362,165.

# SALEROOM

BY ANTONY THORNCROFT

although a New York wine merchant has recently been advertising a bottle of the 1803 at \$22,000, yesterday in Sotheby's "finest and rarest" sale another bottle of the same vintage, from a French restaurant, was bought in at \$,000.

A bottle of the 1822, which at Christie's in September had fetched £3,500, now, at £1,500, failed to reach the reserve.

The best price paid was £500 for a bottle of the rare 1861, which went to an American buyer. Then a bottle of 1887 Silvery dry champagne that made 23 1/2 in the Rosebery sale at Christie's in 1967 went for £58.

A saleroom record for a cork-screw was achieved—£1,050, for a French island specimen circa 1790.

# BMW sponsors women's tennis

THE 1980 women's international tennis tournament at Eastbourne will be sponsored by BMW (GB), the UK subsidiary of the BMW car and motor-cycle company.

This £95,000 event, part of the Colgate series, will take place at Devonshire Park, Eastbourne, from June 16 to 21.

# New status move for unlisted companies

BY CHRISTINE MOIR

panies in which shares are only infrequently traded, but other companies will be encouraged to enter the Unlisted Securities market as a transitional stage to taking up a full listing.

In fact, discreet pressure will be put on companies using the 163(2) market to move up to Unlisted Securities through new restraints on dealings under 163(2). The move up would still be voluntary.

The Stock Exchange's purpose in creating the new market is to encourage growth of small companies. It believes its positive role in this growth involves opening its capital-raising facilities to smaller companies not yet ready for a full quotation.

Ease of capital-raising is closely linked to marketability of the company's securities. That in turn depends on market confidence in those securities.

At present 163(2) companies are traded on a simple caveat emptor basis. There is a danger that, in the minds of some investors, the mere fact that they are traded on the Stock Exchange involves some sort of guarantee.

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# Most Shell terminals operating as normal

BY NICK GARNETT, LABOUR STAFF

THREE-QUARTERS of Shell's terminals were operating normally last night after more tanker drivers decided to return to work.

Parts of Scotland were still suffering supply difficulties with strikes at Grangemouth, Cranton and Ardrossan terminals. Drivers and gantry workers at Shellhaven were also out.

Of the original 14 terminals where drivers had their pay suspended for not co-operating with contract labour, seven were operating normally.

Those terminals are Haverford West, Teesport, Avon-

mouth, Silvertown, Northfleet, Hamble and Reading.

Workers at 34 of the company's 45 main terminals were back at work.

Staff drivers at terminals that have returned to normal working are co-operating fully with contract labour, including the loading of contract tanker lorries.

Officials of the Transport and General Workers' Union were negotiating with the company last night on the issue of contract labour.

Mr. Jack Ashwell, union national secretary for commercial transport, said that before the

talks he would still be pressing for the issue to be taken to arbitration.

If the negotiations went well, Mr. Ashwell indicated that there might be further discussions on pay last night.

Shell's drivers have rejected a pay offer of 18 per cent on the basic rate, 2 per cent for improved allowances and a further £150 lump sum, making the proposals worth about 22-23 per cent in total.

Similar offers have been rejected by drivers at other oil companies and an overtime ban and work-to-rule have been imposed at Esso.



Gloomy outlook . . . union representatives from the Meccano plant outside the Industry Department yesterday

# TUC to outline policy on homeworkers

BY GARETH GRIFFITHS, LABOUR STAFF

THE TUC is to send a circular to unions outlining its policy on homeworkers in the light of what many union officials regard as a change in Government policy.

The Women's Advisory Committee of the TUC will ask unions in the circular to press the Government to retain the Department of Employment Advisory Committee and the Home Working Unit. It also plans to remind unions to seek to include in agreements the terms and conditions of employment of homeworkers.

A Department of Employment advisory committee on homeworking, with TUC and CBI representatives, set up in 1978,

has not met since January. Its tasks were to monitor progress in removing discrimination against an estimated 150,000 homeworkers and to receive reports from a homeworking unit within the Wages Council Inspectorate.

Two meetings of the Advisory Committee were held in October and January but since July the future of the committee has looked in severe doubt.

Mr. James Prior, Employment Secretary, then told Mr. Len Murray, TUC general secretary, no decision had been taken.

The TUC Women's Advisory Committee is worried the likely Department of Employment decision will mean even less

information on homeworking pay and conditions.

The main cause of union contention was a Department press statement on August 21 outlining the results of a survey on homeworkers' pay in Lambeth, Southwark and Wandsworth in London and Walsall in the Midlands. No report was issued but the press release said no homeworkers were paid less than the legal minimum wage.

Unions concerned with homeworking regarded the findings with misgivings.

The Department has partly endorsed the union attitude to the wage inspectorate's report, Lord Gowrie, Employment Minister of State has said

"because of the requirement in those areas (Lambeth, Southwark, Wandsworth and Walsall) for a very high standard of workmanship, rates of pay are perhaps higher than in some other areas."

Unions concerned with homeworkers in the clothing industry, the National Union of Tailors and Garment Workers, the National Union of Hosiery and Knitwear Workers and the General and Municipal Workers' Union believe the main thrust for improving conditions must be a legal one rather than from collective bargaining because of the unorganised nature of the homeworking job market.

# Council manning down

BY ELAINE WILLIAMS

THE FIRST signs that local authorities are beginning to heed the Government's call to cut council spending by reducing staff came yesterday with the announcement of a small decline in the quarterly local-government manpower figures.

The latest Joint Manpower Watch survey, carried out by the Government and local authorities, shows that councils employed an equivalent of 2.09m full-time workers in the period June to December. That represents a seasonally adjusted fall of 0.4 per cent, the first drop since December, 1977.

Although manpower savings in local authorities still do not match those in central government, which between July and October fell by 1.58 per cent (seasonally adjusted), the Department of the Environment hopes that the latest figures might be the start of a downward trend.

Last September's figures, which exclude 5,884 full-time equivalent employees engaged under the Government's Special Temporary Employment Programme, show an unadjusted decrease of 11,871 full-time equivalent employees compared with June. Seasonal adjustment suggests an underlying decrease of some 7,300 full-time equivalent employees.

Mr. Michael Heseltine, Environment Secretary, has persistently called for a reduction in local authority manpower levels. At the end of September he announced that because of increasing manning, he wanted councils to publish individual manpower figures each quarter.

# Chrysler deal on output

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

WORKERS AT Chrysler UK's Ryton plant, Coventry, yesterday accepted a productivity deal which could yield additional earnings of up to £8.00 a week.

The 2,000 employees, who assemble the Alpine model, have agreed changes in working practices proposed by a joint trade union management study.

The study, to find ways of raising productivity, was set up to end the recent 14-week strike by Ryton workers. Management refused to make concessions on its original 5 1/2

per cent pay offer, insisting that higher wages had to be earned through improved output.

The 3,100 workers at the Stoke engine plant, Coventry, are expected to approve similar productivity proposals at a meeting next week.

Stoke, which supplies engines and components for the Avenger and Subbeam models, assembled at Linwood, Scotland, staged a 15-week stoppage in protest at the company's pay offer.

Mr. George Turnbull, chairman of Chrysler UK, which is owned by PSA Peugeot-Citroen,

wants a 25 per cent productivity improvement in the company.

At Linwood, in spite of ending the night shift and making about 1,250 workers redundant, the company hopes to maintain output.

Chrysler UK lost £17.4m in the first half of this year. It is heading for a total deficit approaching £40m.

Mr. Turnbull, whose target is to break even by the end of next year, has warned workers that without a dramatic improvement in productivity it will be difficult to persuade PSA to commit new investment.

# Participation 'astonishingly low'

BY OUR LABOUR CORRESPONDENT

AN "astonishingly low" amount of involvement in decision making at work is revealed in a study published by the Anglo-German Foundation.

Although the field work was confined to 14 companies in the metal working, banking and insurance sectors the authors suggest that there is evidence that their results are typical of the situation in middle-sized organisations in the manufacturing and service sector of British industry.

The report goes on to conclude, however, that there is little evidence that people want a radically different degree of influence or control over

decisions.

"While people want more say over personal decisions close to their daily job than over the more distant goal and policy decisions, even the demand for influence over personal decisions is fairly moderate. Nevertheless, the gap between actual and desired participation shows that there is scope for substantial improvement."

The report notes that while directors are widely regarded as having an "extremely high level of influence" over plant decisions, this is contradicted by the facts.

"Boards do not concern them-

selves with the majority of plant level decisions in our sample of companies. This kind of mistaken perception is important, since it is likely to affect demands for bared level representation; and is almost certainly reflected in the current debate on industrial democracy."

In addition to their study of 14 companies, the authors carried out a national random household survey which, they say, confirmed the results of the examination of companies. A question on whether there should be worker representation on boards of large companies showed 72 per cent of those interviewed in favour.

# Open-cast meeting

CIVIL ENGINEERING contractors met yesterday to discuss the one-day strikes on open cast coal sites and to reconvene on Monday.

The contractors' open-cast coal committee has been discussing possible improvements in the conditions allowances for employees working on National Coal Board sites in the light of the miners settlement.

The fourth one day strike each of which costs more than 40,000 tonnes in lost production, was mounted yesterday.

# Two-day policy protests planned

BY OUR LABOUR EDITOR

TUC LEADERS yesterday laid plans for two days of official protest against the Government's economic and industrial relations policies.

A march and lobby in London has been provisionally fixed for Sunday, March 9, and a "day of action" on Wednesday on May 14.

It is not yet clear whether the TUC will be asking unions to make the second demonstration a one-day national strike, or only short walk-outs.

Plans considered yesterday by the TUC economic committee will be put to the general

council for further decision on how the campaign is to develop.

So far the TUC has adopted a fairly low profile, confining its opposition to a propaganda campaign and briefing of trade unions on Government policy.

Publication of the proposed industrial relations legislation, the Employment Bill, last week is expected to act as a further spur to the protests, which were sanctioned by the Trades Union Congress last autumn.

Meanwhile, the TUC is reviewing its relationship with the Government, while continuing to sit down with Ministers in

bodies like the National Economic Development Council.

There was some discussion yesterday of the need for further action to stem the flood of motor car imports, and the TUC noted with alarm the November import figure of 60 per cent.

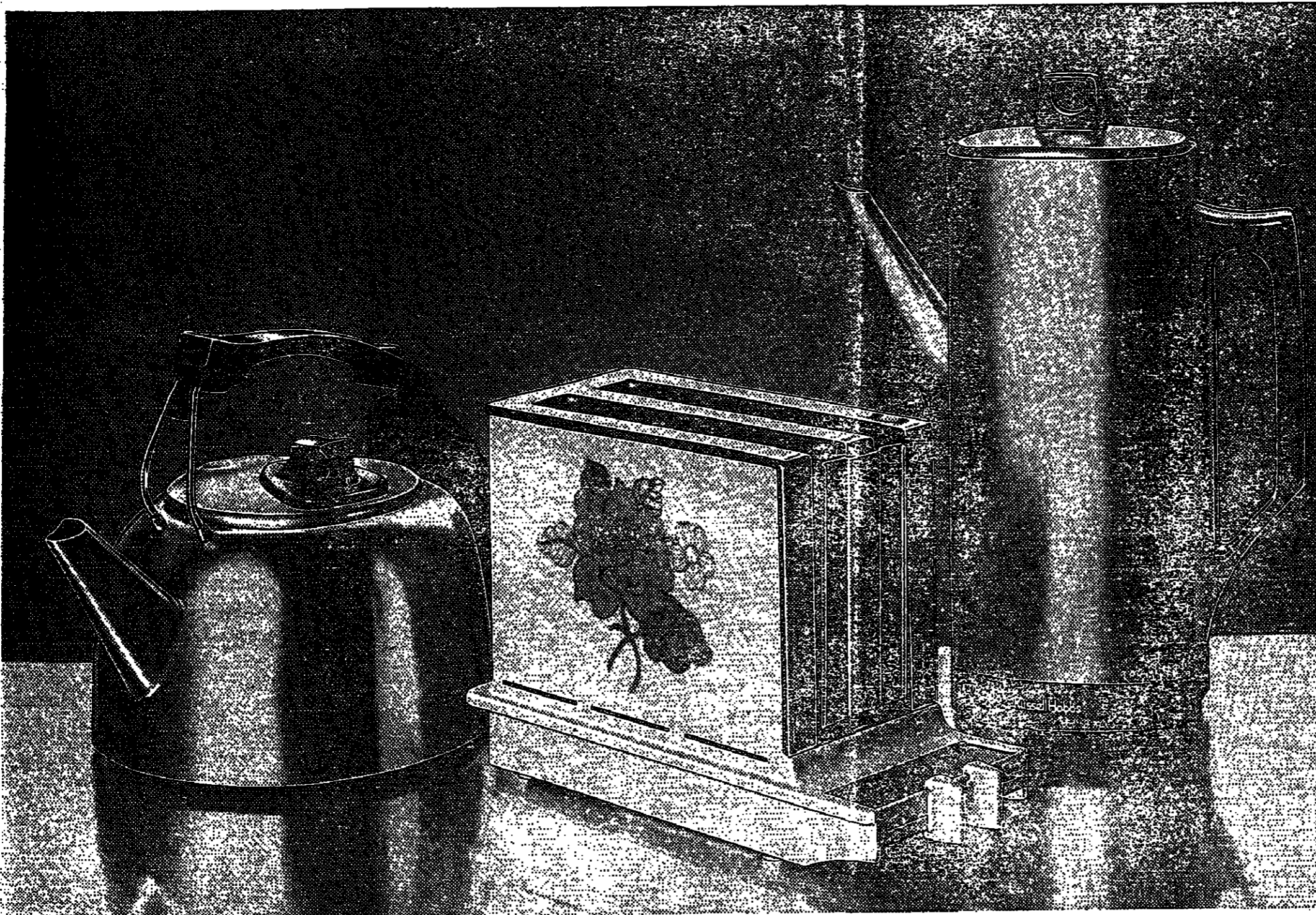
A statement called for the modernisation of BL to stop Britain becoming "completely dependent on the investment decisions of the foreign-owned transnational corporations, Ford, General Motors and Talbot."

# Hospital facing further delay

THE OPENING of the £10m district hospital at Bodelwyddan, near Rhyl—already running more than three years behind schedule—could be delayed yet again.

Clwyd area health authority have been told by the Welsh Office that because of public spending cutbacks they will not be allowed to employ more men to maintain the 400 bed hospital.

# Thought for the day.



DECEMBER  
25

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# UK NEWS—PARLIAMENT and POLITICS

## Gilmour calls for clean slate on Rhodesia

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THESE CAN be no questions about the responsibility in Rhodesia. Sir Ian Gilmour, the Deputy Foreign Secretary, told the Commons last night. He anticipated that the Governor would only have to remain there for a matter of weeks.

Sir Ian was speaking in the second reading of the Zimbabwe Bill which makes the final provisions for Rhodesian independence after the holding of new elections.

Although the Opposition had put down some amendments to the Bill, Mr. Peter Shore, the Shadow Foreign Secretary, made a conciliatory speech. He

emphasised that there had been a very wide area of agreement between the Government and the Opposition since the Lusaka conference.

Some Labour backbenchers, however, were more hostile. Mr. David Winnick (L, Walsall N.) put down an amendment opposing a second reading until a ceasefire had been agreed by all parties involved in the fight-

ing. But it was ruled that his amendment would not be voted upon.

Sir Ian had no doubt that the conditions for independence had been fulfilled.

"The basic causes of the conflict in Rhodesia have been removed," he said. "With the basic political issues solved there is no reason for delay."

With the passage of the Bill,

the way ahead to independence would be clearly mapped out.

"The Government has no illusion about the difficulties which lie along the road," Sir Ian went on. "The Governor's task is formidable. It is to organise fair elections while supervising a ceasefire."

His ability to achieve the aims set out would rest on the consent and co-operation of the

parties and people in Rhodesia.

"In the next weeks we shall, I am sure, be able to bring Rhodesia to legal independence in conditions which will enjoy wide international support," added Sir Ian.

The risks should be understood in the context of the alternatives. The Government did not believe that a settlement could be achieved without

British involvement to supervise elections.

"Had the uncertainty of the past few months been allowed to drag on indefinitely with continuing infiltration over the border and increasing retaliation against Rhodesia's neighbours, all prospect of a settlement would have been lost," Sir Ian emphasised.

"There will not be another

opportunity if we let this one slip. We hope that the final details of the implementation of a ceasefire will be agreed very shortly."

The prospect of legal independence and international acceptance was the most powerful incentive for all parties in Rhodesia to observe the Lancaster House agreement.

The independence proposals

contained in the Bill would be the prize.

The Bill does not create a new citizenship of the UK as colonies, nor will it lead to a significant new immigration commitment, Sir Ian stressed.

He explained that the Bill takes powers to ensure an equitable satisfaction of creditors who have not received interest on and redemption of Rhodesian stock over the past 14 years.

Therefore, a clause was included enabling Government orders to be made regulating claims against assets of the Government of Zimbabwe in the UK.

### No support for SA rugby tours

THE Government reiterated in the Commons yesterday proposed rugby union tour to South Africa.

Mr. Hector Munnro, Sports Minister, told MPs that the rugby unions were fully aware of the Government's position. "I hope that anyone responsible for staging such a tour is aware of all the possible implications."

Mr. Tam Dalyell (Lab., W. Lothian) had asked if such tours would affect British participation in the Commonwealth and Olympic games.

Mr. Munnro replied that the rugby unions were not affiliated to the British Olympic Association. Any decision on participation was in the hands of the International Olympic Committee.

The opposition spokesman on sport, Mr. Denis Howell, welcomed the "strong, sensible, intelligent and civilised stand" by the Government.

But Mr. Nicholas Waterton (C., Macclesfield) said that tours could educate the people of South Africa and speed up the processes already taking place there.

### Green pound 'blackmail' failed, Walker says

BY IVOR OWEN

FRANCE RESORTED to totally unsuccessful "blackmail" before Britain secured the agreement of the European Economic Community Council of Agriculture Ministers to a 5 per cent devaluation of the "green pound," Mr. Peter Walker, the Agriculture Minister, told the Commons yesterday.

To cheer from the Tory benches, he described how he had fended off French attempts to block the change in the "green pound" until they were given major concessions on wine and major agreement on sheep meat.

But the hard bargaining ended, Mr. Walker reported, with the Council adopting a wine package which was of net benefit to Britain and with France getting "no concession of any description" on sheep meat.

"After starting the blackmail technique the French finished the day having achieved absolutely nothing from it," he stressed.

Mr. Walker also gave a hint that France could be on the point of lifting its illegal ban on British lamb exports.

He explained that in the negotiations on the devaluation

of the "green" pound—the artificial exchange rate used to calculate tariffs and subsidies on the EEC farm trade—France had found herself totally isolated.

Like Britain, the other seven members of the EEC had objected strongly to the French attitude and he suggested that this reflected the fact that the French were suffering from finding themselves in an illegal position.

It was difficult for France, while claiming to be "communitaire," to act illegally. It seemed that the French Government now recognised that the illegal action was against its own national interest.

Mr. Roy Mason, Labour Shadow Agriculture Minister, argued that Mr. Walker had found himself exposed to blackmailing tactics as a direct result of the Government's economic policies.

These had forced up the rate of inflation and, with the 17 per cent Minimum Lending Rate, had exacerbated the difficulties of farmers to such an extent that the Government had been left with no alternative but to seek to provide them with

additional income through a further devaluation of the "green" pound.

Mr. Mason calculated that the devaluations of the "green" pound over the last six months had increased the food price index by at least 3 per cent and added 50p a week to the average family's food bill.

Backed by Labour cheers, Mr. Mason claimed that housewives now realised that they had been "conned" by the Conservatives at the General Election and this was reflected in the latest opinion poll showing a 9 per cent swing among women voters against the Government.

Mr. Walker reminded Mr. Mason that one reason why it had been necessary to increase farmers' incomes was the £200m wage award gained by farmworkers—a larger increase than under any Labour Government.

As for the effect of the "green" pound devaluation on food prices, he recalled that his Labour predecessor, Mr. John Silkin, had stated that a 5 per cent reduction was likely to increase the Retail Price Index by no more than one-fifth of 1 per cent.

### By-election test for Tories

By Philip Rawstone

BY-ELECTION voters in the Tory stronghold of South West Hertfordshire will give their verdict today on the first seven months of Mrs. Margaret Thatcher's Government.

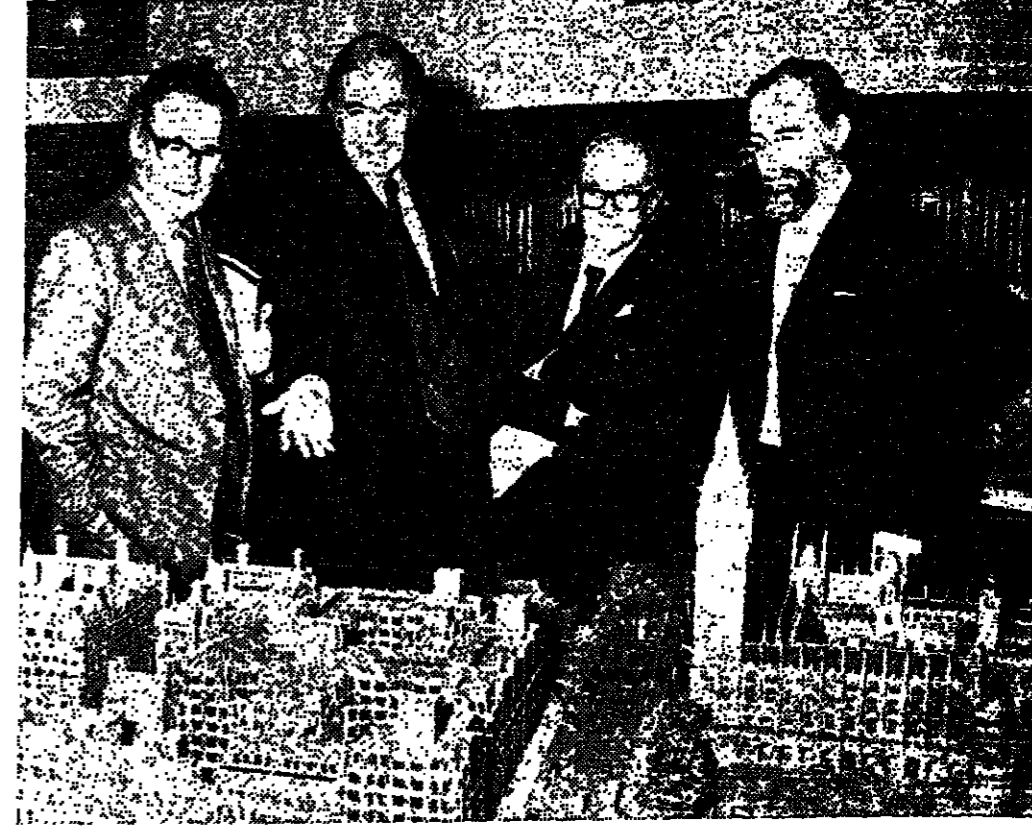
With a majority of over 16,000 at the general election in May, the Government appears in little danger of defeat.

But the result in this essentially middle-class constituency should reflect the attitude to higher mortgages, continued inflation, spending cuts, and the prospect of higher rates and commuter fares.

If the Tory majority falls to around 5,000 it is bound to fuel anxieties among some Tory MPs about the course of the Government's economic policy.

The latest opinion poll, conducted for the London Evening Standard by MORI suggested yesterday that middle-class support for the Government remained firm.

But the poll registered an overall 6 per cent swing to Labour since the general election and showed that women voters in particular were deserting Mrs. Thatcher.



EXPANDED WESTMINSTER: Mr. Walter Harrison (left) and Mr. Norman St. John Stevas inspect the model of the proposed new Parliamentary building in Bridge St. Architects Sir Hugh Casson and Mr. David Ramsay look on.

### Tax aid for mortgage holders

MORTGAGE holders who face hardship because of the interest rate increase should contact tax offices immediately so that tax codes could be adjusted as a matter of urgency, Mr. Peter Rees, Treasury Minister, told the Commons yesterday.

Mr. Rees said it was not possible to adjust all codes immediately because of the work burden. "However, if any taxpayer is caused hardship he should write to his tax office giving full information of the interest actually payable by him for the year, and his tax code will then be adjusted as a matter of urgency."

**HEATHROW TERMINAL:** The Government will decide soon whether a fourth terminal should be built at Heathrow airport. Lord Trefgarne, Government Trade spokesman told the Lords yesterday. If given the go-ahead, the terminal could be ready in the mid-1980s.

**AMENDMENT:** Business patents forming part of an anti-competitive practice against the public interest will be restricted if a Government amendment seeking these powers is accepted in the Competition Bill's committee stage tonight.

**COMPUTER QUERY:** A £14m programme to buy new computers for the National Health Service, was closely questioned by MPs yesterday on being told that only one company, International Computers Limited (ICL), had been asked to tender. The computers cost £1m each and will replace earlier models.

**NI REVIEW:** Mr. Patrick Jenkin, Social Services Secretary, announced last night that he proposes to review the National Insurance position of the self-employed. He hopes to make an announcement soon on the form of the review.

**WILSON HINT:** The power of pension funds should be subject to greater control, Sir Harold Wilson suggested yesterday. He hinted that his committee of inquiry into City institutions, due to report early next year, might recommend changes in the funds' investment policies.

### Post Office will end worker directorships

BY PHILIP RAWSTONE

THE POST OFFICE'S two-year experiment in industrial democracy is to be scrapped, Sir Keith Joseph, Industry Secretary, announced in the Commons yesterday.

Board appointments of seven trade unionists and two consumer representatives will lapse at the end of the year, he told MPs.

The decision was angrily condemned by Mr. John Silkin, Labour's industry spokesman, as "an attack upon the trade union movement and industrial relations."

But Sir Keith said: "It is the Government's policy to encourage increased involvement of employees in decisions affecting their interests. It is not for the Government to lay down how this should be achieved."

The Post Office board had been unable to agree on continuing the experiment, he said. "Broadly, the unions are in favour of a continuation, while management and a majority of the independent members of the board are not."

Sir William Barlow, Post Office chairman, was consulting the unions and would make new proposals for close employee involvement in top-level Post Office decision-making, Sir Keith said.

"It is for the Post Office management and the unions to agree on the way forward," he told MPs.

Sir Keith said he would be ready to take any action to facilitate new arrangements. If agreement were reached within the next two months, this could

include an Order to make permanent the statutory powers to make additional appointments to the Board.

Mr. Silkin contrasted the Government's attitude toward the Post Office experiment with its appeal for trade union representation on the NEE.

There had always been disagreement between the Post Office management and union about the experiment, he declared.

The management had objected from the start to consumer representatives.

Mr. Silkin challenged Sir Keith to publish a Warwick University report which, he said, was "highly critical of the management attitude to this experiment throughout and extremely favourable to the continuation of this experiment."

Sir Keith returned that the Post Office chairman had given his "enthusiastic agreement" to the experiment but there was a great deal of difference between trade union members serving on a Government agency like the NEE and a trading business like the Post Office.

New independent members would be appointed shortly to the PV Board and he would consider the question of consumer representatives.

Sir Derek Walker-Smith (C, Herts. E) suggested that the move appeared to be a retreat from the concept of employee participation.

Mr. Anthony Wedgwood Benn, former Labour Postmaster-General, warned there would be "very real disappointment and anger" at the decision.

Editorial comment, Page 18

### Heseltine 'gets tough'

THE Environment Secretary told the Commons yesterday that he will get tough with rebel local authorities which "flagrantly and persistently ignore Government requests for spending economies."

Mr. Michael Heseltine said: "I will be asking this House to give me powers to deal with those authorities which flagrantly and persistently ignore the Government's requests for prudent and proper management of their affairs."

Mr. Peter Lloyd (C, Fareham) had asked what action he proposed to take against "rebel"

authorities, such as the London Borough of Lambeth.

Mr. Robert Adley (C, Christchurch and Lynton) asked if Mr. Heseltine agreed that local ratepayers were the best people to point out what they considered to be the misdeeds of their own local authorities.

Mr. Heseltine said the powers which he would be seeking in the forthcoming Local Government Bill would enable him to ensure that a wide range of information would be available about the performance of authorities.

### Hospital closure warning

BY ERIC SHORT

DR. GERARD VAUGHAN, Health Minister, yesterday told health authorities that they must stick to proper consultation procedures when closing hospitals—even if the closure is temporary.

In answer to a Parliamentary question, Dr. Vaughan said that temporary closure of a hospital should not be a way of avoiding consultation.

He emphasised that when a substantial temporary closure had to be made without prior consultation, the authority concerned was still expected to consult afterwards if there was any danger of the closure becoming permanent.

If an Area Health Authority wished to close part or all of a hospital, or change its use,

then it must get approval of the Regional Authority.

It must also consult local interests—such as general practitioners—and particularly the Community Health Council, the patient's watchdog. If the CHC objects, the proposal goes to the Social Services Secretary for a ruling.

But this consultation process is not obligatory for temporary closures. Because of the current economic situation and the need to keep within cash limits, authorities are temporarily closing wards, departments and even complete hospitals.

The need for separate consumer representation was stressed last year. The cost of CHC next year would be £4m and the Government is seeking views on whether they should be retained.

Dr. Vaughan's comments come the day after the Government's consultation paper on the reorganisation of the National Health Service raised doubts over the longer term future of CHCs.

The paper, Patients' First, published on Tuesday, suggested that under the proposed reorganisation, the new district authorities will be less remote from local services and more in touch with the needs of the community.

The need for separate consumer representation was stressed last year. The cost of CHC next year would be £4m and the Government is seeking views on whether they should be retained.

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**Some men enjoy receiving  
the same old neckwear every Christmas.**

CHIVAS REGAL 12 YEAR OLD SCOTCH WHISKY.



JOBS COLUMN, APPOINTMENTS

Early worms turn • Business information head

BY MICHAEL DIXON

DELIGHTED by an unexpectedly large profit this year, the founder and owner of a compact company in the United States asked management consultant what to do with the surplus money.

The consultant proposed that half of it should be distributed among the staff according to how each person's work was rated by his or her colleagues. Being democratic, and proud of his record results, the owner agreed to be included in the exercise.

He was rated only "fair" for marketing, because he was thought too prone to improvise rather than plan. He was also criticised for setting his fastidiously punctual staff a bad example by arriving late in the mornings. So he was awarded a bonus \$9,000 short of the scheme's permitted maximum.

This disgruntled him somewhat. But Jim Kennedy, of the U.S. newsletter Consultants' News, says the company-owner has now decided the exercise was valuable all round. It will be repeated next year.

**Expander**

JOHN WILLIAMS, executive-recruiter at the Whitehead consultancy, seeks a general manager in London to head the business-publications division of a group owned in America. Mr. Williams may not name the employer and so guarantees to

abide by any applicant's request not to be identified to his client until permission is given later.

The division employs towards 200 people in producing directories and other types of periodical business and financial publications. The newcomer will be responsible to the group's U.K. managing director for the running, and especially the profitable expansion, of these activities, both by the development of present products and by acquisition. Whoever gets the job will also have to take part with the heads of other divisions in setting up a joint data bank.

The main need here is demonstrable success in managing and expanding a profit-making organisation, employing a fair number of people. Expertness in marketing and sales-promotion, particularly by direct-mail, is also important. So is sound knowledge of the applications of computers in the business-information business.

Indeed, since the employer expects the division's activity to rely increasingly on visual display units and like new-fangledness at the expense of good old paper, the recruit could well come from profit-responsible management in a computer service dealing with business information.

But John Williams is anxious

that managers of the traditional types of publishing house in the field should not be deterred from applying for the job. Given the required managerial record and flair for business-development, they have a chance at least equal to that of any DP dandy. The preferred age range is 32 to 40.

The salary indicator is around £18,000. Perks include car. Inquiries to Mr. Williams at Whitehead Technical Services, 21 Wigmore Street, London W1H 9LA; telephone 01-580 0191; telex 27799.

**Housewares**

"A SENSE of humour is imperative," says Jim Fisher, of the Consulting Partners recruitment concern, about the next job. Whether that is entirely because the post is based in Hartlepool, I cannot be sure. Places east of the Pennines all look alike to a Lancastrian like myself.

The job is for a marketing director of the housewares division in the UK of the American private company, Aladdie Industries. Hartlepool is not the only outpost of the parent group, which is based in Nashville, Tennessee. It also has associate companies in the Middle East and Japan, not to mention Southend, which is the home of the group's precision

plastics-moulding activities in Britain.

What the newcomer will be marketing from the housewares factory further north, are two main types of consumer goods. The first is heating and lighting products. The other is vacuum flasks. Turnover in these is £10m — about two-thirds in exports — and the division concerned employs 350 people.

Responsible to the division's executive director, the new marketing chief will have six people in immediate support. They are product group managers for each of the two main types of goods, a marketing services manager, an export sales manager, a national sales manager and a marketing analyst.

Preparing the yearly plan for marketing—with the allied defining of policies and procedures for pricing, promotion, sales, distribution and so on—will be one main task, of course. Another will be co-operating with the engineering and manufacturing sectors. A third will be keeping contact with major customers at home and abroad. Yet another will be developing the marketing organisation and its staff.

There will be new opportunities and products to be assessed and exploited, too. And the recruit will also have a hand in the division's general manage-

ment.

Here I begin to see what Jim Fisher meant—anyone who can undertake that pile of responsibilities and still remain human, must certainly have a sense of humour.

It occurs to me that, by this particular criterion, the ideal candidates might well be Stanley Holloway's Mr. and Mrs. Ramsbottom who, when on holiday, complained: "There were no wrecks, nor nobody drowned; in fact, nothing to laugh at at all." But that was at Blackpool, not Hartlepool.

Besides, Mr. and Mrs. Ramsbottom evidently did not have university degrees, which Jim Fisher for some strange reason includes in the list of qualifications. Essential, however, is a record of successful selling at home and overseas which has led to successful product-management in a fast-moving consumer-goods business. Having to travel, the newcomer would be helped by fluency in major languages other than English. The preferred age would be 35 to 38.

Salary indicator is around £18,000. Car among perks. Inquiries to Mr. Fisher at 17-18 Old Bond Street, London W1X 3DA; telephone 01-499 8416, telex 265782 Copar G.

He says, by the way, that although the company did a bit of suffering four years ago, the

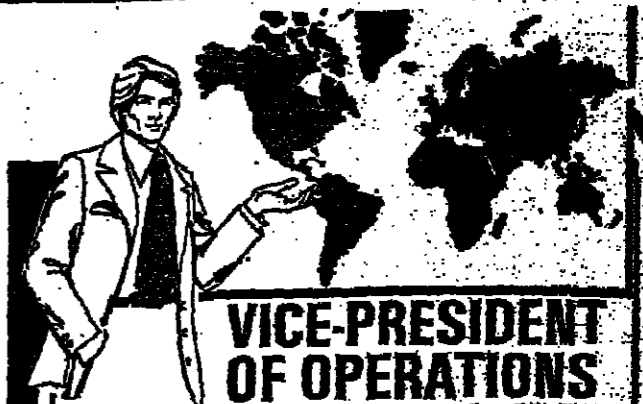
new management brought in to restore health is well ahead of the originally scheduled recovery programme. "It is now looking to accelerate the pace of growth and development in the consumer products area."

**Iron nerve**

BUSINESS drive plus understanding of routine payroll procedures seems an unlikely combination. But consultant Cliff Dilloway is seeking it in a person to run and develop a computer-bureau specialising in payrolls, on behalf of an un-named client. He makes the usual guarantee to applicants reluctant to be identified.

Based in London, the bureau has to meet many tight deadlines for weekly payrolls. But as well as serving present customers, the recruit will have to gain new clients, not least by developing new services.

Mr. Dilloway (Highcroft, Gunhouse Lane, Bowbridge, Stroud, Gloucestershire GL5 2DB; Tel. 0453 6387) feels that commercial force is more important than consummate knowledge of computers, in which training can be provided. No salary quoted. But my guess would be about £10,000 at the outset. Age is evidently of far less importance than is iron nerve to withstand the never-repeating deadlines.



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**£12,000 + car Age 30-35 City**

Our clients, part of a major diverse group, are a leading firm of international merchants and traders. Continued expansion has led to the requirement for a Controller to take overall responsibility for the finance and accounting functions (approximately 10 staff). He or she will work closely with the Divisional Managing Director and the Group Chief Accountant, with principal duties as follows:

- Installation of a new computer and the subsequent development of relevant systems; management information requires particular attention.
- Advising trading directors on the financial impact of their activities.
- Arrangement of financing for the business.

Candidates must be qualified accountants with good technical ability and commercial acumen. Staff management experience and a knowledge of computerised systems are essential. There are good prospects of a divisional directorship and of a developing career elsewhere in the group.

**Career plan**  
PERSONNEL CONSULTANTS

Nigel Halsey  
Career Plan  
Chichester House  
Chichester Bents  
London WC2  
Tel: 01-242 5775

**DEPUTY FINANCE DIRECTOR**

North London c. £15,000

This number one role for an executive accountant age mid-20s created by continued rapid growth of business of well established market leader in retail of household name products. Ideally you will have experience in the retail or wholesale trade, computerised financial accounting and management information services, a developed commercial sense, and proven man-management ability. Progressive salary and excellent benefits offered.

Call Ralph Scott FCGA, FCGS—Ref. 1728

**FINANCE DIRECTOR**

Middx/Herts Border c. £12,000 plus car

A highly successful private company in the electronic data processing industry, current turnover £5m is to appoint a finance director to join the top management team. This is a challenging role, which will provide the opportunity to make a significant contribution to the further growth and development of the companies activities.

Call Brian Cognet, ACCA—Ref. 1767.

**NEW BUSINESS DEVELOPMENT**

London-Leicester-Leeds £9,000 neg.

Join in our expansion programme for the 80s. The marketing of our services to a wide range of client companies is challenging and unusual and provides career progression into consultancy with the prospect of an early management appointment. Commercial expertise and a Professional Qualification are essential.

Call Robert Miles—Ref. 9889

**Treasury Operations**

Do you have a flair for figures?  
Do you like to be at the centre of the action?  
Do you enjoy working under pressure?

If you have worked or are working in a bank, but feel that you could handle more of a challenge... you could be the person our Client is looking for.

The job title is Treasury Assistant, and the job is in the Cash Management and Banking section of the Treasury of a major Corporation. As the middle member of a team of three you will play a key role in the money market and cash management operations.

You will be responsible for putting together the daily cash forecast which is the basis of the cash management system, and for ensuring that all records associated with cash management and banking are properly maintained.

The job involves regular contact with many banks, the London Money Market, and local finance staff around the UK, and is a unique opportunity for someone interested in developing a career in the management of money.

The successful candidate will have the ability to think clearly and work accurately under pressure, together with either a banking qualification or knowledge of clearing bank procedures and basic bookkeeping.

Formal qualifications are less important for this job than ability, although 'O' level Mathematics is essential.

Salary range £8,000-£7,300

Please write in the first instance, enclosing details, to the address below. (Reference 894 must be quoted on your envelope. Enclose separately a note of any companies to which your application should not be sent.)

This appointment is open equally to men and women.

Ronald Fairbairn, Everett's Recruitment,  
10 Graywood Place, London SW1P 1SE

**EVERETT'S recruitment**

**Sales Executive**

Construction Industry  
Circa £10,000 + car

Our client, a major reputable international construction group, wishes to strengthen its sales and marketing force actively involved in seeking business opportunities for commercial and industrial developments at home and overseas.

It is envisaged that the person appointed, ideally 30/40 years of age, will already hold a similar post and be either technically or commercially qualified.

Responsibilities will be all embracing in the identification and successful promotion of engineering and construction opportunities so as to meet the Company's planned business objectives and expansion programme. Substantial contact with client representatives will therefore be a predominant feature of the job responsibilities.

Based in London, the position offers a negotiable salary, in the region of £10,000 per annum, together with a Company car and other fringe benefits associated with a large progressive organisation. Assistance with re-location expenses where applicable, will also be negotiated.

In the first instance applicants, male or female, should send personal and career details together with the names of any companies they do not wish to be considered by, to Ref MA252, Robert Marshall Advertising Limited, 44 Wellington Street, London, WC2E 7DJ.

**Robert Marshall Advertising Limited**

**Personnel Resources Limited**

LEADING SPECIALISTS IN FINANCIAL APPOINTMENTS

01-248 6321

Hillgate House, Old Bailey  
London EC4M 7HS

**Senior Investment Analyst**

POST OFFICE STAFF SUPERANNUATION FUND

The Post Office Staff Superannuation Fund is the largest pension fund in the United Kingdom with total assets valued at over £2,500 million and a net cash flow in excess of £400 million per annum.

The fund is seeking a Senior Investment Analyst for the UK equity market. The person selected will report to the Investment Manager (UK Discretionary Portfolio) and will be responsible for the fund's UK equity research heading a small team of analysts.

Applicants for this position should preferably have a degree and/or professional qualification with relevant experience in a stockbroker's office, pension fund, merchant bank or similar institution. Terms and conditions of employment are competitive.

Applications, with curriculum vitae, should be sent in strict confidence to:

J. Stubbs  
Post Office Staff Superannuation Fund  
47/51 King William Street, London EC4R 9DD

**National Sales Director**

SMURFIT LIMITED, one of Britain's largest and fastest growing packaging concerns, requires a UK Sales Director to be responsible for £100m. plus sales of packaging products.

The successful candidate should have an in-depth knowledge of the packaging industry in the UK and a proven track record in sales and marketing.

Salary will be commensurate with the position and location is open for discussion.

Applications should be sent in strictest confidence to:

B. R. Fairclough,  
Director of Personnel Services,  
Smurfit Limited,  
P.O. Box 25,  
Orford Lane,  
Warrington WA2 7AD.

**Chief Accountant**

£12,500 + plus car

A major international pharmaceutical company are about to fill a senior appointment with excellent prospects of further advancement. To occupy the post of Chief Accountant within their UK operations, they seek a qualified accountant with at least five years' industrial experience together with direct experience of budgetary control, standard costing and capital investment appraisal.

The position is London based and carries responsibility to the Financial Director for the whole of the accounting function, including 100 staff at a number of locations. The right man or woman will be capable of making a positive contribution to the development of a complex, advanced technology business, with the aim of

improving both short and long term profitability. He or she will be expected to demonstrate the potential required for promotion within a short space of time.

Starting salary will be negotiable in excess of £12,500 per annum and the total highly competitive remuneration package includes a company car and non-contributory pension.

Please write in strictest confidence, giving full details of qualifications and experience to Position Number ASC 7572, Austin Knight Limited, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

**AK ADVERTISING**

**FOREIGN EXCHANGE ADVISER**

We require someone to assist in the Corporate Calling Program, who is able to explain and advise on Foreign Exchange and Money Market Operations.

Ideal applicants will be in their late 20's to early 30's. They must have had experience in FX trading in an International Bank, and have the personality and verbal skills to enable them to relate well to senior staff in our Corporate customer organisations.

Write, with career details and present earnings to: Geoff Fuzland, Vice President, The First National Bank of Boston, 5, Cheapside, London EC2P 2DE. All applications will be treated in strictest confidence.

**Financial Directors**

East Anglia, Dorset, Home Counties c.£15,000 plus car

Our clients, a young group of companies (turnover £30m), are seeking to appoint financial directors to their major subsidiaries. The Group place very high importance upon asset management and cash control and as such are looking for exceptional candidates. Applicants must be qualified accountants male/female aged 28-35. Ref. 1142/FT. Apply to R. P. Carpenter, FCA, FCMA, ACIS, 3 De Walden Court, 85 New Cavendish Street, London W1M 7RA. Tel. 01-636 0761.

**Phillips & Carpenter**  
Selection Consultants



# Overseas Customs Adviser

up to £10,000 + car

BL Limited wish to appoint an Overseas Customs Adviser based at their corporate headquarters in the west end of London.

You will be responsible for evaluating legislation, advising management as to its effect upon the company, negotiating with overseas Customs authorities and identifying the financial advantages arising from variable Customs tariffs/legislation.

Ideally aged 26-40, applicants, male or female, should have a comprehensive knowledge of Customs legislation and practice; the ability to interpret complex law plus well-developed negotiating skills. A foreign language capability would be advantageous.

The salary will be negotiable according to qualifications and experience and there is also the excellent range of company benefits you would associate with a large multi-national company.

Please write, giving details of your career to date, including salary progression, to:- Miss Beryl Owen, Personnel Officer, BL Limited, 35/38 Portman Square, London W.1. Tel: 01-436 6000.



## UNDERWRITING AGENCY General Manager

AGE 30 PLUS  
SALARY CIRCA £14,000 PLUS BENEFITS

A Lloyd's underwriting agency embracing both Syndicate management and a Names Agency requires a General Manager. This appointment could well lead to a Directorship in the short term.

The task is to be responsible for all aspects of the agency management.

The selected applicant must have experience with an underwriting agency and ideally have a professional qualification. The office is situated out of London and it will be necessary for the applicant to be based there. The terms and conditions of service are excellent. Salary c. £14,000.

Please write or telephone  
G. A. White, Managing Director. P.S. 13054

**WHITE MAUD AND WARNER LTD.**  
Personnel Selection  
4 Botolph Alley - London EC3R 8DR  
Tel. 01 626 5161 - Telex 888387

### TECHNO-COMMERCIAL

Director, 54 general manager; business development; marketing, sales, international engineering, contracting. Widely travelled, good French, some German and Russian. Speaks senior position, full or part-time. UK, abroad. Prizes travel.  
Write Box 46992, Financial Times  
10 Cannon Street, EC4P 4BY

## Accounts Manager

City based. c.£ five figure

Our client, a large international financial concern is seeking a Chartered Accountant to manage the Accounts Department.

The person appointed will have had substantial previous experience in managing computerised accounts in a financial group environment including specific experience of foreign exchange transactions and Bank of England returns.

He or she must be able to demonstrate good experience in managing people successfully.

This is a challenging position which will provide the right person with opportunities for future career development.

Salary and benefits will be attractive to the right person.

Please write, including a full curriculum vitae and listing any companies to whom you do not wish your application forwarded to:

B. Wood (CRS/145), Lockyer, Bradshaw & Wilson Ltd., North West House, 119/127 Marylebone Road, London NW1 5PU.

**LBW**

LOCKYER, BRADSHAW & WILSON LIMITED

# Reed Executive

The Country's most successful Recruitment Service

## Chief Accountant

N. England

c.£11,500 + car + benefits

Part of a successful Public Group, the company has a well established business in the communications and leisure industries. The Chief Accountant whilst demonstrating the ability to manage and motivate a staff of seventy in the development of management information and control systems, must possess wider business acumen and participate in the formulation of commercial and financial policy, with emphasis on areas of expansion and diversification. Reporting to the General Manager and to the Regional Board, the position offers an attractive blend of modern accounting skills and senior line management responsibility. Relocation assistance is available.

Telephone: 0532 459181 (24 hr. service) quoting Ref: 3250/FT. Reed Executive Selection Limited, 24-26 Lands Lane, Leeds LS1 6LB.

The above vacancy is open to both male and female candidates.  
London, Birmingham, Manchester, Leeds

## Group Taxation Manager

**DCL**  
The Distillers Company Limited

This large UK based Group of companies is engaged primarily in the production and worldwide marketing of Scotch whisky and other potable products.

A taxation specialist is required to succeed the Group Taxation Manager who is retiring. The person appointed will occupy a central role in the Group financial management team based in Edinburgh. Key tasks are to act as tax consultant and mediator for all UK companies in the Group; to advise Group management on the tax implications of investment and commercial decisions; and to develop the tax planning function in the light of existing and new legislation.

Candidates, probably aged over 35 and professionally qualified, must offer extensive corporate tax experience gained either in industry or in the profession and preferably including some experience of international taxation problems.

Salary negotiable around £15,000 p.a., company car, non-contributory pension and life assurance scheme, relocation assistance if appropriate.

Please write with brief details — in confidence — to

Mr. R. S. Temple, Director, The Distillers Company Limited, 12 Torphichen Street, Edinburgh EH3 8YT.

THE ROYAL BANK OF CANADA (LONDON) LIMITED

the new City-based merchant banking arm of the Royal Bank of Canada, is seeking to fill a new position

## CHIEF ACCOUNTANT

Up to £14,000 + Housing Loan

This new post will have responsibility for all accounting, financial planning and taxation matters and will report to the Managing Director.

Selection criteria include a degree, an accounting qualification and comprehensive financial accounting and computer systems development experience, preferably in a financial institution.

This position offers excellent career prospects within the Royal Bank of Canada Group and there are valuable fringe benefits including house purchase scheme.

Please send a comprehensive career résumé, including salary history, quoting ref. 1022 to W. L. Tait

**Touche Ross & Co. Management Consultants**

4 London Wall Buildings,  
London, EC2M 5UJ.  
Tel: 01-588 6644.

## FINANCIAL DIRECTOR

£10,000 + car  
Yorkshire

A public group, turnover £20m, requires a Financial Director for one of its expanding subsidiaries in catering equipment distribution.

We are seeking a qualified accountant, around 30, with commercial experience.

The relatively small size and autonomous nature of this subsidiary company, which employs 100 people, provides an opportunity for the person appointed to demonstrate general management skills and should lead to total profit responsibility.

Basic salary will be circa £8,000 per annum with profit bonus, car and other fringe benefits.

Please apply to:

The Group M.D.,  
Staines Catering Equipment Limited,  
International Trading Estate,  
Brent Road,  
Southall,  
Middlesex.

**MONTAGU, LOEBL,  
STANLEY, & CO.**

## GILT EDGED DEALER

Montagu, Loebel, Stanley & Co. require an experienced dealer for their expanding Gilt Edged business.

Good salary and profit participation offered.

Please reply in confidence to:-

Mr. R. A. D. Froy,  
Montagu, Loebel, Stanley & Co.  
31, Sun Street,  
London, E.C.2.

## Financial Controller

c. £8,750 SUFFOLK

Our client is a medium sized engineering company and is currently undergoing a substantial reorganisation to improve profitability. The major proportion of its sales are exported.

Reporting to the Financial Director, the appointee will head a small Finance and Cost department.

The successful candidate will be a young qualified Accountant, having experience in developing and introducing Cost Control and Financial Planning systems. There is an ICL 2903 computer on site. Career prospects are excellent and conditions of service will include superannuation, free life assurance and relocation expenses, if necessary.

Candidates, who may be male or female, should apply in writing, giving their telephone number and quoting Ref: 964, to Peter Barnett, FIPM, M.I.M.C., Barnett Keel Ltd, Providence House, River Street, Windsor, Berks SL4 1QT. Tel: Windsor 56723. Telex: 849323.

**Barnett Keel**  
MANAGEMENT SEARCH

## Top Executives

If you are finding your talents wasted - we can help.

In the serious business of marketing yourself MINSTER EXECUTIVE provides the professional, individual and comprehensive career counselling service that has achieved outstanding results.

After evaluating your full potential we direct you through every stage of the job search, furnishing you with material individually tailored to your specific needs, and counsel in the art of being interviewed.

As professionals we have an acknowledged standing in the employment market. We invite you to a preliminary discussion to discover why our clients have been so successful.

MINSTER EXECUTIVE LIMITED  
28 Bolton Street, London W1Y 8BB. Tel: 01-493 1509/1085

## ASTLEY & PEARCE LIMITED

have a vacancy for an experienced FOREIGN EXCHANGE DEALER aged 22/23, in their Dublin Office.

Apply in confidence to:

Mr. R. C. Lacey,  
ASTLEY & PEARCE LTD.,  
30, Cannon Street, London, EC4.  
Telephone: 626 2486.

## Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

## Financial Controller

Berkshire, c.£11,000 + bonus + car

Our client is a market leader with an annual turnover well in excess of £50M of which a significant proportion is exported. The Group has a number of divisions in the UK and several overseas subsidiaries, and the young aggressive management team is currently restructuring the business to meet the challenge of the 80's. The Controller is responsible to the Group Finance Director for co-ordinating group reviews, consolidation and monitoring of individual divisional plans and performance reporting to optimise total profitability. He/she is also involved in investment actions and the review and development of new business opportunities. This position calls for an ability to motivate a team of professionals to achieve demanding objectives and meet tight reporting deadlines, but offers rewarding scope for exercising substantial management influence and subsequent career progression within the finance function or into general management. You should have attained a high standard of academic and professional accounting qualifications. Your experience in the finance function must be broad based and preferably embrace both the accounting and analysis areas in an engineering environment and high level communication skills are essential. Experience of corporate planning is also highly desirable. Apart from offering an attractive commencing salary other benefits include an executive car, bonus scheme, BUPA and a generous relocation package.

G.E. Forester, Ref: 18254/FT. Male or female candidates should telephone in confidence for a Personal History Form to: LONDON: 01-734 6852, Sutherland House, 5/6 Argyll Street, W1E 6EZ.



David Grove Associates

Bank Executive Recruitment

60 Cheapside London EC2V 6AX

Telephone 01-236 0640

### ACCOUNTANT

INTERNATIONAL BANK

A challenging vacancy in an expanding environment. Vacancy responsibilities include management of the accounting functions, financial reporting, budgets and supervision of statutory returns. Our client's specification calls for candidates to have relevant experience in banking, to be equipped to manage an experienced team and have had involvement in computerised accounting. Preferred age 27-35 years.

### BRANCH OPERATIONS

BANKING AND FINANCE

Vacancy responsibilities include management of all branch clerical and administrative functions, customer liaison and man-management in a busy City office. Candidates, ideally 25-32, should have organisational flair and proven management ability.

### ACCOUNTS MANAGEMENT

£5,000-£7,000 + CAR. NEGOTIABLE

A well-established (23 years) and growing company (£1,000,000-£2,000,000 T/O) of food importers based in South Woodford requires a person to be totally responsible for all accounts duties up to trial balance with particular working abilities regarding credit control, stock control, tax and to work closely with the shipping department in such matters as foreign exchange. Current systems are manual but a change to computers within 12 months is envisaged.

This is a secure position with excellent possibilities for advancement.

01-504 0344 ASK FOR MANAGING DIRECTOR  
JOSE BATALER & CO. LTD.

### DELEGATE IN THE UK

First line Spanish industrial Group is seeking a Delegate in the United Kingdom. The Group deals mainly in the supply of heavy capital equipment for oil extraction and refining, energy, mining and steel production. The successful candidate should be an experienced engineer, well acquainted with the engineering companies working in the above fields in the UK. The main target of the job is to increase sales of the Group in the UK. Knowledge of Spanish language an asset. Candidates to write Box A.8984, Financial Times, 10, Cannon Street, EC4P 4BY, with brief resume of qualifications for this job and contact phone number.



## Broad-ranging Opportunities for Flexible Accountants

The company manufactures and markets a specialist industrial chemical product, and is one of the world's best known names in its field. Over the past half century it has based its success on its ability to react swiftly to the needs of the market place and to adjust its priorities at short notice. Such an approach sets particular standards for its management team, notably flexibility of thought and action, along with a high degree of self-discipline and self-motivation. In return, it offers go-ahead experience across the whole range of each particular management discipline - in this case, Finance. Planned development and internal promotion have led to three openings in widely differing locations, but they all share breadth of interest and genuine opportunity.

### Group Management Accountant

Full Group responsibilities  
c.£12,000 - Central London

The range of responsibilities involved means we are looking for experience and abilities to match. You may well be a qualified C.A. who has been to Business School and gained experience of the management accounting function in an international environment. You may already be well versed in international accounting, corporate taxation and budgetary control. You will already be experienced in computer applications for financial planning and project evaluation. However, all this will be of no avail if you cannot communicate your expertise to managers at all levels throughout the company, and at the same time develop a broad understanding of the marketing, production and technical disciplines essential to the successful completion of your assignment. If you are one of the small group who can meet this demanding specification, we should like to hear from you. Reference 9157/TRW.

### Management Accountant

Central Accounting function  
Up to £9,000 - North East

The U.K. operating company, based in the North East, has a well developed accounting function, but now needs a qualified C.A. or A.C.M.A. to take responsibility for the preparation of management information and to be involved in capital appraisal, project evaluation and the development of commercial and technical information systems. Again, there is pride in the ability of staff functions to understand and communicate with line activities; it is therefore unlikely that the shortlist will include anyone who has not had previous industrial experience, preferably in a process industry. Whilst the company is proud of the professionalism of its accounting function, it is continually looking for ways of modernising and developing its management and information systems. The management accountant will play a vital role in this activity and success here will lead to further career development. Reference 9158/TRW.

### Management Accountant

Site Financial Department  
Up to £9,000 - Humberside

Financial ability within the varying operations is now being strengthened, with site management asking for increasing help on the spot. To achieve this in the Humberside plant, we are looking for a qualified Accountant, C.A. or A.C.M.A., to launch this new function. The nature of this position will provide the ambitious professional with a unique opportunity for innovation and creativity. Plant management will look to its Accountant for advice and guidance on the complete range of financial activities including: analysis of operating data; preparation and monitoring of budgets and forecasts; capital project appraisal; and the development, within the company guidelines, of computer based factory management systems essential to the successful operation of the site. Once again, it is clear that some knowledge of a process industry at plant level would be a decided advantage. Reference 9159/TRW.

Applications, which may be from male or female candidates, will be treated in complete confidence and should be sent, quoting the appropriate reference and giving full career details, to Terry Ward.

## BROOK STREET EXECUTIVE RESOURCES LIMITED

47 Davies Street, London W1Y 2LN. Telephone 01-499 7382  
The Executive Selection Company of the BROOK STREET Employment Service Group

**University College of Swaziland**  
Applications are invited for the post of  
**LECTURER**  
**IN THE DEPARTMENT OF ACCOUNTING**  
Candidates should possess a primary qualification in Accounting plus a relevant degree. The applicant will teach on the 1st year full-time undergraduate programme and ancillary courses. He/she will also participate in the development of the Department. Salary scale: £3,000-£6,000 p.a. (U.K. £1.53). The British Government may supplement salary in the region of £1,500 p.a. (including housing allowance) and annually the teacher may be eligible for a gratuity/beneficial pension scheme. Further details of the post and conditions of service should be obtained from the Registrar, University College of Swaziland, Private Bag, Kwaluseni, Swaziland. Applicants resident in the UK should also send one copy to: Inter-University Council, 70/71 Tottenham Court Road, London W1P 0DT. Further details may be obtained from either address.

**FINANCIAL/MARKETING EXECUTIVE**  
Needed at senior level to manage a major public group. The successful candidate will be responsible for the financial and commercial implications of projected activities and trends. This will include accounting, treasury, legal and taxation matters. To exercise the degree of expertise required your professional qualifications will need to have been supplemented with at least five years commercial exposure, at a senior level, preferably including overseas activities.  
Telephone: 01-836 1707 (24 hr. service) quoting Ref: 0746/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

## Accountant for Financial Planning

Middlesex c£7000+car+bonus

Our client is a market leader in the mini/micro computer business. The continued expansion of their organisation has created a key new position for a dynamic young accountant to work on budget planning and monitoring, corporate consolidation, and management reporting in a small, highly committed team responsible for this division of a U.S. based multi-national group. Candidates should be able to demonstrate a capability in financial planning, monitoring and control and should have 2/3 years experience in industry after qualifying.

The preferred age range is 24-32 and knowledge of mini-computer manufacture or sales would be an advantage. The successful candidate will play an increasing role in the company's European activities which will involve an element of travel. Salary and conditions are excellent, as are career prospects in this dynamic and expanding company. Please send your c.v. or request an application form from Ron Burgess quoting reference number: RB/FT/270.

Jean Dennington Limited, Personnel Consultants, 14 New Burlington Street, London W1X 1FF. Tel: 01-734 6134.

## Reed Executive

The Country's most successful Recruitment Service

### Financial Controller

City of London c£15,000 + car

This autonomous subsidiary of a major public group has long established and diversified operations in the Far East and Africa. As the senior financial and accounting executive for the London controlled subsidiaries, as well as Group Company Secretary, you will advise the Board on the financial and commercial implications of projected activities and trends. This will include accounting, treasury, legal and taxation matters. To exercise the degree of expertise required your professional qualifications will need to have been supplemented with at least five years commercial exposure, at a senior level, preferably including overseas activities.

Telephone: 01-836 1707 (24 hr. service) quoting Ref: 0746/FT. Reed Executive Selection Limited, 55-56 St. Martin's Lane, London WC2N 4EA.

The above vacancy is open to both male and female candidates. London Birmingham Manchester Leeds

## Legal Adviser

Arabic Speaking - Saudi Arabia

for a Saudi Arabian Government Agency financing industrial and electrical utility development.

The job will involve preparing and vetting major contracts or loan agreements, ensuring that the conditions are complied with and providing legal advice on contractual matters generally.

Candidates, who must have a law degree from USA, UK or Canada, should have at least 5 years' similar experience gained in a major bank or financial institution. Fluency in English and Arabic - written and verbal - is essential. A knowledge of the Shari'a would be a distinct advantage.

A 2 year contract will include an attractive salary, free accommodation, car lease scheme, generous leave arrangements including annual leave home, medical cover and education allowance.

Please write giving full career, current compensation and personal details - in confidence - to A. R. Duncan ref. B.1107-1.

**MSL middle east**  
Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB

## Banking Representative

Edinburgh

Kleinwort, Benson Limited is seeking a replacement for Bill Lord, their Representative in Edinburgh, who is shortly to retire.

The successful applicant will be required to discuss the Bank's wide range of financial services with customers at executive level. Previous experience in banking preferred, but not essential.

The position may well suit a person who has held a responsible post connected with finance. Age is not a primary consideration, applicants within 10-15 years of retirement are also invited to apply.

In addition to a competitive salary you can expect to enjoy a wide range of benefits including house mortgage assistance, non-contributory pension scheme and free life assurance cover.

Please write, giving details of experience and career to date, to:

Mr. P. F. G. Barnes,  
Assistant Director, Personnel,  
Kleinwort, Benson Limited, 20 Fenchurch Street,  
London EC3P 3DB.

**KLEINWORT, BENSON**  
Merchant Bankers

## CORPORATE ADVICE DIRECTOR

Barclays Merchant Bank has shown substantial growth over the past two years in its Banking and Advisory activities. As a result of this expansion, applications are invited from experienced Corporate Advice Executives who consider themselves able to command an immediate Directorship.

It is unlikely that anyone who has not been involved in Corporate Advice with a Merchant Bank for a number of years would qualify; additionally applicants who have some overseas experience, especially in the North American market, will be given high priority.

Terms are for discussion but will include a substantial salary and the benefits normally associated with the merchant banking sector.

Those interested should, in the first instance, contact:

The Managing Director,  
Barclays Merchant Bank Limited,  
Dashwood House, 69 Old Broad Street,  
London E.C.2.

**BARCLAYS MERCHANT BANK**

## BANKING PERSONNEL...

extends the compliments of the season to the Banking community at large, with particular thanks to those Clients and Candidates who have helped to make 1979 an outstandingly successful year.

1980 promises to be a year of challenge and opportunity and we look forward to providing a service that complements the higher standards of professionalism that will necessarily obtain.

BANK ON US FOR THE NEW YEAR!  
Rod Jordan and Mark Stevens

**BANKING PERSONNEL**  
47/42, London Wall - London EC2 - Telephone: 01-588 0781  
(RECRUITMENT CONSULTANTS)

## NEW ISSUES

City to £13,000

The merchant banking arm of a major continental bank, long established in the City, is now expanding its New Issues activities. To perform this task the Corporate Finance Department needs to increase its staff with a male or female executive, aged around 27-35 with a professional qualification or degree having a sound experience of New Issues both in the British and Eurobond markets gained probably with a bank or major stockbroker. A reasonable knowledge of French would be a distinct advantage to facilitate discussions with senior financial executives of client companies. Non contributory pension and BUPA schemes, low interest mortgage and promotion prospects are provided. Please send full career details in confidence to:

**Denis V.E. Howard**  
Recruitment Consultant  
Third Floor, 4 Cromwell Place  
London SW7 2JW

## Accountant

London c£9,000

A US company with extensive operations in UK seeks at least one accountant to strengthen their London Head Office in 1980.

Reporting to the Chief Accountant the new man or woman is to be concerned mainly with budgets, forecasts and special investigations.

Candidates with a commercial bent should preferably be qualified management accountants, ideally ACMA's who understand the problems of large companies and complex

management information systems. However, young accountants still in the profession who have completed their 1979 examinations will also be considered if they can demonstrate ability and potential. There are no age limits, but those under 35 may have an advantage. Salary for the ideal candidate is to be around £9,000 plus appropriate fringe benefits.

Candidates should telephone or write for an application form quoting reference 70L.

**Roland Orr**  
Management Consultant

35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.



هكذا من العمل

Deputy Managing Director Luxembourg

We are a multinational bank active in the Euromarkets with a particular lending emphasis towards the Nordic countries.

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For the full text of the advertisement please see the Financial Times of that date or telephone Sally Stanley on 01-243 5597

COMPANY NOTICES

CHUJITSUYA CO. LTD. TOKYO, JAPAN 5% DM Convertible Bonds of 1979/1987 Security Index Number 454 564 Adjustment of Conversion Price The Board of Directors adopted the following resolution on October 1, 1979.

COMPANY NOTICE BRAZILIAN INVESTMENT SOCIETY DE INVESTIMENTO - DECILO S.A. International Depository Receipts Issued Under Guaranty Trust Co. of New York.

Banque de Paris et des Pays-Bas Floating Rate 1980 \$25,000,000 The interest rate applicable to the above loan in respect of all months of the period commencing on 11 December 1979 has been fixed at 12 3/4%.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN NIPPON SHIMBAN CO. LTD. We are pleased to confirm that copies of the Quarterly Report of Semi-Annual Results of Operations for Six-Month Period ended September 30, 1979 in Japanese and English are now available to EDR holders.

J. A. BEVENISH & CO. LTD. NOTICE IS HEREBY GIVEN that the TRANSFER BOOKS relative to the Company's Ordinary Shares will be closed for transfers from 12.00 noon on 22nd January 1980.

ART GALLERIES FINE ART SOCIETY, 148, New Bond Street, W.1. 01-629 8116. DIAGHLEY 1891-1972.

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS £7.5m 91 day bill issued 13th December mature 13th March 1980. Applications invited £7.5m. Minimum accepted price £98.01. Average rate of discount 5.33%.

EDUCATIONAL

ST. JAMES'S SECRETARIAL COLLEGE. Prospectus from Mrs. G. M. Gwynne, by Garage, SW5, 01-373 3852.

TRAVEL GENEVA, Paris, Zurich and Rome, widest range of cheap fares. 01-251 2191.

APPOINTMENTS

Mr. R. B. King is House Builders' president

Mr. Ronald B. King, managing director of the housing division of Tarmac, is the new President for 1979-80 of the HOUSE-BUILDERS FEDERATION.

Mr. Jack E. Willett has been named senior vice-president of INTERNATIONAL STANDARD BRANDS.

Mr. Ken Sinclair has been promoted to director of the NATIONAL ENTERPRISE BOARD's northern region office in Newcastle.

Mr. Barry Gill has been appointed a director of the Serpentine Seeds division of FARM FEED HOLDINGS.

AMERICAN EXPRESS COMPANY has appointed Mr. Robert E. O'Connell vice-president, corporate personnel, Europe, Middle East and Africa.

Mr. J. J. Francis has been appointed chairman of DOBSON PARK INDUSTRIES. He will succeed Mr. C. F. Ward as chairman after the annual meeting on February 21.

Mr. Francis joined Gullick in 1957 as works manager and subsequently became a director of Gullick, William Park and Co. Forgemasters, and on the formation of Dobson Park Industries in 1968, a group director.

Mr. R. L. Black has been appointed an associate director of GEI INTERNATIONAL, following his promotion to the post of deputy operations director of the company.

Imperial Continental Gas Association has appointed Mr. J. L. Stretch as director of all operations from February 1. He will take executive responsibility for all IG Gas's oil and related gas developments.

Mr. Neil M. Williamson has been appointed manager and director of ICFE CORPORATE FINANCE.

Mr. W. M. Rannachan, is to become director of international operations, WEIR PUMPS, from January 3. He is a present managing director of the Weir Group's associate company.

Mr. Pierre Ledoux, honorary president of Banque Nationale de Paris, has been appointed president of the FRENCH BANKING ASSOCIATION in Europe.

Mr. Hugh Ellis has been appointed managing director of INTERCITY ELECTRIC AND MECHANICAL SERVICES, a subsidiary company of the Terrapin Group.

Mr. Derek F. Bond has been appointed by BELL and HOWELL as engineering director of the electronics and instrumentation division in Basingstoke. He joins the company from Wayne Kerr.

Mr. D. B. Smith, Mr. Anthony D. Broadhead and Mr. Eric Frye have been appointed directors of DEBORAH SERVICES.

Mr. Hermann-Adolf Kunsch has been appointed deputy member of the Board of Managing Directors of HESSISCHE LANDESBANK - Girozentrale - in Frankfurt from January 1. Dr. Kunsch, general manager of Hesse's Landesbank since March 1975, heads the Bank's foreign banking operations.

Mr. A. Wren has been appointed chief executive of the STANDARD BANK in Zimbabwe-Rhodesia. He will succeed Mr. J. S. Davidson, who will be joining the London management of Standard Chartered Bank as general manager on special duties linked to the development of international business with Zimbabwe-Rhodesia.

Mr. E. S. Booth has been appointed as a director of BRITISH ELECTRICITY INTERNATIONAL and on the same day, Mr. Booth is a member of the Electricity Supply Research Council and, until recently, was chairman of the Yorkshire Electricity Board and member of the Electricity Council.

Mr. Peter Viggers, Conservative MP for Gosport, Mr. Graham Newman, Mr. John Archer and Captain Colin Key have been elected to the Committee of Management of the ROYAL NATIONAL LIFEBOAT INSTITUTION.

Dr. Torsten Lindstrom, at present managing director of ASEA AB, Vis-teknik, Sweden, has been appointed group executive officer from June 1, 1980, in succession to Mr. Folke Westerberg, who is retiring.

Following its acquisition by the ANZ Banking Group, the Board of the BANK OF ADELAIDE has been restructured as follows: Sir Ian McGenzie has been elected chairman and Mr. M. Brackhouse (ANZ's managing director) deputy chairman.

Mr. Maurice A. Fry who retires as full-time executive chairman on March 31, has been elected non-executive chairman of the ELECTRONIC RENTALS GROUP from that date.

Mr. David K. Bond has been appointed international marketing manager and London representative of CEDEL SA, an international securities clearance system based in Luxembourg. He was previously a director and senior vice-president of Merrill Lynch International.

Mr. K. M. Hamilton will retire from BLACKWOOD MORTON AND SONS (HOLDINGS) on January 31 on reaching retirement age. He will be succeeded as chairman by Mr. Gavin Morton and as managing director by Mr. Alex M. Leggate.

Mr. Douglas R. P. Baskin, managing partner and chief Executive of TOUCHE ROSS AND CO, has been elected chairman, board of governors, TOUCHE ROSS INTERNATIONAL.



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## ● ELECTRONICS

### Tracks pipelines and cable runs

SUITABLE FOR fitting to any submerged vehicle or to a hand-held frame is a two-coil electromagnetic system called Loctrak which can be used to trace accurately the position of a pipeline or cable run; or it can be used as a simple metal detector.

Signals from the twin detectors are sent to the surface on an umbilical where they are displayed on a pair of moving coil meters. Since the coils always remain a fixed distance apart, relative movement of the meter needles on moving the vehicle will indicate a course to steer: at a distance from the pipeline both will shift in the same direction, but if the pipe

In spite of the difficult world market position in colour television tubes, Finland seems determined to maintain a production facility and the Government is to provide support to the tune of FM 349m (£43m). The money will go to a re-formed company resulting from the take-over by Finnish industrial giant Valmet Oy of tube-maker Valco Oy. The new company is called Finnvalco Oy and it will be a member of the Valmet automation group. It expects to achieve an initial annual production figure of 150,000 tubes, with an increase to 1m in a "phased marketing operation over the next few years." The tubes, one of which is seen here undergoing adjustment of the integral yoke, are based on Hitachi technology. They will be made in 26, 22 and 10 inch sizes and have in-line unified electron guns, 110 deg deflection, 29.1 mm neck, temperature compensated shadow-mask, electrostatic focus, magnetic deflection and self-convergent integrated neck components.



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## ● SAFETY

### Responds to vapours

AVAILABLE FROM Allison Engineering is a General Monitor system with a sensor that can be specifically pre-calibrated to respond to a particular solvent vapour.

Typical locations for the sensor would be in drying ovens, solvent storage areas and close to process pumps where there is a possibility of glass leakage.

Sensor signals are relayed to a control panel in plant office or control room with master display and high/low alarm lamps initiated by corresponding set points.

A 4 to 20 mA analogue output is also provided, together with high and low alarm relays and a malfunction relay.

The sensor housing is available in both BASKETA and PTB approvals. If needed, a portable calibration chamber for checking sensor and controller calibrations can also be supplied.

Allison is at 10 High Street, Billericay, Essex. CE12 5BE (02774 69519).

## Sight and sound

LATEST TWIST in the design of smoke detection fire alarms comes from Nu-Swift International.

When the alarm goes off, the detector's 3.5 candle power lamp switches on automatically to illuminate the danger area and help prevent accidents.

Known as Nulash model 777, the unit has a highly sensitive ionisation chamber detector which is able to detect both visible and invisible smoke. It can thus provide early warning of slow, smouldering fires and allow extra time to escape from fast developing ones.

An electronic horn provides a piercing high note alarm signal at 85 dB.

More from the company at Elland, West Yorkshire HX5 9DS (0422 72852).

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## Approving the process

AT THE "custom" end of the semiconductor business the cost and time involved in obtaining approval for a specific device which may be produced in relatively small quantities would not be worthwhile in many cases.

As a result the British Standards Institute has introduced the "concept of capability" which, under the provisions of BS9450 allows complex large scale integrated devices to be fully approved by approving the process by which they are manufactured.

GEC says it is working towards an acceptable BS9450 approval for much of its LSI semiconductor processing and production, with some funding assistance from CVD (Directorate of Components, Valves and Devices).

Trouble has been that device approval could take a year or so. As GEC points out, with the LSI business moving so fast, in a year one technology could be entirely replaced by another.

## ● PROCESSING

### Ultrasonic welders

WITH THE benefits of ultrasonic welding in plastics assembly becoming more and more appreciated, PB+E Engineering has taken on the sales of U.S.-made Cavatron welding units.

The advantages of using such techniques include increased productivity, lower assembly costs, better quality, cleaner products, simple control and the elimination of solvents and adhesives.

Basic principle of such equipment is that the welding tool (called a horn), which is shaped so as to apply energy over the area of the desired weld, is made to vibrate up and down at about 20 kHz, the resulting frictional heat melting the plastics, joining two pieces together or joining plastics to metal.

A popular model in the Cavatron range, the 150/70FE can be used for welding, staking, inserting, scan welding, swaging and similar tasks. The power of 800 watts can be applied with constant tool amplitude regardless of pressure, the material being welded or the state of the weld. In this way stalling and interruption of production cycles is avoided.

An optional extra is a monitoring system called Enertronic which senses part variances and compensates proportionately by adjusting the

## ● HEATING

### Commercial fluid bed at work

FIRST coal-fired industrial fluid bed steam generator to go into commercial operation in the United States is in continuous operation, supplying steam for the University of Georgetown's heating system.

This fluid bed steam generator was designed and built by Foster Wheeler and will operate at up to its full rated capacity of 100,000 lb/hr. of saturated steam at 625 p.s.i.g. Although the unit has been called upon to deliver only 50 per cent of its capacity to date, it has supplied the university with its entire steam requirement when an existing gas-fired boiler was out of service.

In this boiler, coal particles are burned in a bed containing limestone through which air is passed fast enough to make it resemble a boiling fluid.

Sulphur from the burning coal, in the form of sulphur dioxide, is chemically captured by the limestone. This eliminates the need for an external flue-gas desulphurisation system as used on conventional steam generators.

Tests show that when burning coal with a 3.8 per cent sulphur

content in the Georgetown University fluid bed unit, sulphur dioxide emissions of 0.65 lb per million BTUs of heat were obtained. This relates to an 87 per cent removal of the sulphur dioxide from the fuel during the combustion process.

Since the bed operates at a temperature of about 1,500°F, formation and discharge to atmosphere of nitrogen oxides is also low.

Foster Wheeler Power Products, FOB 160, Greater London House, Hampstead Road, London NW1 7QN.

## Handles the information

XEROX Corporation has announced the introduction of a multi-functional office information system that combines processing of text, business records and data, thus entering an arena where IBM, ICI, Honeywell and latterly NEXOS are active.

The product, the Xerox 860 information processing system, can be programmed to handle a variety of text-editing applications, as well as the processing of office business records and data.

Purchase price in the U.S. for the basic 860 is \$15,300.

It comes in five optional disc storage layouts which can hold up to 4,800 pages of material.

Xerox claims that it will allow users to handle a variety of office tasks beyond those normally associated with word processing. A relatively small 860 will include a full-page display unit, keyboard, printer, controller, operating system, text-processing software and applications programs.

Optional applications packages include programs for records processing, system activity recording and a basic language interpreter that allows the use of business applications programs.

Xerox also announced an office communications network called Ethernet. The 860 as well as other systems and products will operate on this network.

The new 860 system has been designed to fit into the current Xerox word processing product family. A user of the present Xerox 850 page display typing system can get the 860 extended capability by changing system controller units.

## Cleans the screen

A MONORAIL suspended rake for cleaning vertical bar screens, which are used for initial screening of drinking water at reservoirs and cooling water at power stations, has been developed by Adamson Butterley, Nessham Road, Darlington, DL1 4AH. 0825 67661.

The overhead monorail suspension system allows use of the rake where there is insufficient horizontal area at the top of the screen for a conventional twin rail system on which the rake hoist unit can travel. In use the rake is lowered on three ropes down the screen to a point below the collected debris. The rake is then engaged with the screen and hoisted upward to finally deposit the debris in a bin at the top.

## ● MATERIALS

### Repairs cracks in the wall

STRUCTURAL FAULTS in buildings can be repaired by the "man on site" instead of calling in specialist contractors, according to SBD Construction Products.

EPK (Epoxy Plus Injection Kit) can be used to treat even cracks that go right through the wall. All the equipment required is supplied in kit form and includes epoxy and polyester compounds and applicator gun.

Epik is based on the claim that if the crack can be saturated with SBD Epoxy Plus resin until this cures, it will form a bond twice as strong as conventional concrete. The crack is made into a temporary reservoir by sealing all exposed sections with a fillet of crack sealer. At the same time injection nipples are installed at regular intervals.

Once the sealer has cured, the injection resin is mixed with hardener and pumped into the fault, using the applicator gun. Each nipple is crimped off when the crack is saturated with

resin. The fault is then left overnight while the resin cures — giving a high-strength joint. The surface of the repaired fault can then be sanded down and prepared for decoration.

SBD injection resin is a high-strength epoxy specifically developed as a jointing, grouting and bedding agent for the construction and civil engineering industries. Capable of bonding most building materials, it develops a compressive strength in excess of 69 MN/ per square metre (10,000 psi) and a tensile strength in excess of 13 MN/ per square metre (1,900 psi). It has high chemical resistance, low shrinkage and will cure at temperatures above 3 deg. C (37 deg. F).

## ● LIGHTING

### Strong lamps for lorries

FILAMENT LAMPS with stronger than usual construction, designed to stand up to pothole shocks and the vibrations imposed on the rear of goods vehicles returning unladen, have been introduced by Associated Lighting.

These heavy duty "Allite" bulbs are competitively priced and are available for most British and foreign commercial vehicles. The complete range includes 12 and 24V stoplight, side, tail and flasher bulbs.

It is claimed that strengthened filaments and a generally more robust construction gives the bulbs a working life of up to five times that of standard products in severe vibration conditions.

More from the company at Lowerhouse, Bollington, Macclesfield, Cheshire SK10 5HR (0625 72370).

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## SOCIETE GENERALE



### U.S. \$ 50,000,000 Floating Rate Notes 1991

The Notes of U.S. \$ 1,000 each constituting the above issue have been admitted to the Official List of The Stock Exchange in London. Interest on the Notes is payable quarterly in arrears in October, January, April and July, the first such payment having been made on 12 October 1979.

Particulars of the Bank and of the Notes are available from Extel Statistical Services Ltd, and may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 30 November 1979 from.

STRAUSS TURNBULL & CO  
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LONDON, EC2R 6HR

هكذمان الخمل



# THE MARKETING SCENE

### The controversy over television programme ratings and cost increases has fuelled advertisers' anger and served to focus agency complaints. Michael Thompson-Noel reports.

## A year ITV wants to forget

JUST WHEN the Independent Television contractors in Britain should be walking on eggshells they seem to have donned diver's boots, stumbling into one of the most acrimonious disputes in their quarter-century history.

On the one hand, European broadcasting is at the start of an era of the greatest upheaval. In Britain alone, the ITV contractors will soon be competing for renewal of their own lucrative franchises. At the same time, the Government is about to introduce its Broadcasting Bill, setting out details for Channel Four, Britain's second commercial television channel. Behind TV's looms the advent of cable TV and what Sir Harold Wilson described last week as the "new infiltrators of our domestic peace — European television satellites."



Yet it is precisely at this moment, when ITV arguably should be demonstrating the greatest political and commercial sensitivity, when its client relations should be at their apogee, that its customers—advertisers and their agencies—are most loudly dismayed.

ITV has just weathered its most costly half-year. The 11-week technicians' dispute, this autumn that blacked out ITV drove at least £70m worth of gross advertising revenue off the air, of which at least £15m went straight to rival media and as much as £30m was lost for good. Settlement of the strike was followed by a drubbing in ratings. Although ITV viewing figures are now recovering sharply, ITV's failure to win back large audiences quickly drew howls of protest from the agencies, plus the allegation that its failure to market its programmes adequately since its return fell little short of arrogance.

which advertisers' funds are allocated — even though the glamour and the cost-effectiveness of television advertising is not at present in dispute.

Peter Marsh, chairman of Allen Brady and Marsh, has emerged as one of the most aggressive critics of ITV's current relationship with its clients. Next year, as Europe's fastest-growing major agency, ABM's billings will probably approach

**'The contractors appear to have moved away from the business of advertising and into the field of money-collection'**

—Peter Marsh

£50m. Fifty-five per cent of current billings are spent on TV. With Woolworth, ABM says it largely pioneered the mass movement of retailers into television advertising.

"Over the last two years we have sensed a change in the attitude of the TV contractors," says Mr. Marsh. "They are seeking to change their trading relationship — to establish packages of airtime, at a price, so that an agency's role will be diminished. This is very short-sighted."

"The ITV strike provided the most grotesque mishandling of a customer-supplier relationship I have seen in all my years in advertising. Not one letter

landed on my desk by way of explanation. The contractors' behaviour was insensitive, discourteous, monopolistic. Members of my staff have been told by contractors: 'Contractors are not interested in clients.' Our sales policies are nothing to do with you. It is the attitude of an East European State towards a mixed economy."

"The contractors appear to have moved away from the business of advertising and into the field of money-collection — look at rate card development and cancellation clauses. We are fighting a system. These are not isolated incidents. The attitude of the contractors is how best to maximise profits and rates of return without having to deal with those mercurial agencies. What the contractors do not appear to realise is that there is a groundswell building up that will shape attitudes for the future."

Mr. Marsh emphasises that the aim of his or any other agency is to enjoy a "fruitful partnership" with television or any other medium.

Kenneth Miles, director of the Incorporated Society of British Advertisers, said on Tuesday: "It is not a storm that has suddenly blown up out of a clear blue sky. Recent irritations have simply served to bring things sharply into focus." He reiterated advertisers' and agencies' complaints about ITV's performance on the ratings front. But he said there were two clear strands to the controversy over rates.

"There are the straight increases that are being sought, and there are the specific measures which some of the contractors, notably Thames TV, are seeking to introduce in terms of the structure of their rate cards."

"Advertisers are unhappy about the rate increases, but it is difficult to say very much about increased rates, given the competitive environment. ITV is going out fully sold. Demand is very buoyant. But I think it had better to slam the rates up at the earliest possible moment, given their failure to rebuild audiences quickly."

There is a lot of ill-will over the Thames plan to replace traditional volume discounts with a system of early-payment discounts — in the shape of further airtime, not cash. Mr. Miles has called the scheme "unworkable."

Given the acrimony of the past few months, ITV has adopted a microscopically low profile, although Ronald Miller, sales director at London Week-

end Television and chairman of the ITCA's marketing committee, said this week that ITV's problems in rebuilding its audiences had not been fully appreciated.

"No programme schedule has ever had to be designed to win back an audience that's been missing for 11 weeks. Viewers had had a chance to sample programmes (the quotes Shoe-string on BBC-1) that otherwise they would not have looked at. Perhaps we were lulled into a false sense of security, and underestimated some of the BBC's programmes."

Referring to agency complaints about ITV's handling of the dispute, Mr. Miller said: "No-one came in here and talked about value — all they wanted to do was spend money. If anybody has had a problem, I've talked to them and written to them. Not one advertiser has said that this station behaved badly."

Mr. Miller says that LWT's own ratecard proposals for the

**'We must look beyond the present two-dimensional broadcasting world and become attuned to the shape of things to come — foreign cultural invasion through satellites.'**

—Sir Harold Wilson

New Year offer advertisers "a year of stability, a return to much more flexible negotiation," and that LWT's own peak-time viewing figures over the past two weekends were better than those for the same two weekends last year.

ITV will hope to shake off its programme blues as quickly as possible. But uncertainties over existing ITV-1 franchises remain, to say nothing of TV-4. As if they were not enough, Sir Harold Wilson diverted the House of Commons last week with a brief journey into the broadcasting future.

Sir Harold was talking in a debate on the BBC licence fee. "We should not confine our-

## Saatchi: latest U.S. speculation 'premature'

THE LATEST U.S. advertising agency to have its name paired with that of the British-owned Saatchi and Saatchi Company is Cunningham and Walsh, the 22nd biggest income earner in the Advertising Age list of top U.S. agencies for 1978. Billings at Cunningham and Walsh last year were \$222.6m for gross income of \$28.9m, which ranks it somewhat bigger than Saatchi's writes Michael Thompson-Noel.

However, talk about a possible tie-up is "considerably premature." Certainly no announcement is timed to coincide with today's annual

figures from Saatchi, ahead of which the Saatchi share price has recovered lost ground in recent days.

Saatchi has made no secret of the fact that for at least the last six months it has had talks with numerous New York agencies with a view to establishing a foothold in the U.S. However, a recent report that Saatchi was on the brink of securing a deal that would propel it into the Top Ten list in U.S. advertising has caused irritation and embarrassment in Charlotte Street.

The main Saatchi & Saatchi partner in the U.S., the main Saatchi & Saatchi agency, Britain's fourth biggest, handled this year's election advertising for the Conservative Party.

Group pre-tax profits for the year to last September 30 improved by 50 per cent to £1.874m on margins of 3.17 per cent. Further improvement is expected in the current figures. It is not thought that the recent repatriation of billings at the former Saatchi subsidiary, Rue and Partners, will have significantly depressed income.

Cunningham & Walsh formerly owned an interest in the London agency, Geers Grows. Last year Cunningham & Walsh resigned the \$10m L&M cigarette account due to an account conflict created by its merger with Post-Keyes-Gardner of Chicago.

## DWK billings close to £20m

DAVID WILLIAMS and Ketchum has landed two impressive accounts: British-American Tobacco's State Express Three Fives King Size and King Size Mild brands, plus Ever Ready Batteries.

Together they may be worth up to £4m — nearly £3m for State Express, perhaps £1m for Ever Ready — though neither company will discuss budgets. Ever Ready's announcement alone was probably 1979's terest publicity communication. Its latest MEAL figure was £389,200, some way behind Maltory Batteries' £561,900.

Nonetheless, the gains mark a major coup for David Williams and Ketchum. Chairman and managing director Tony Scott says that because of the TV strike, billings in the current financial year will probably be pegged at around £12.5m, but that next year they should move to at least £17.5m to £20m.

Its clients include Currys, Japan Airlines, Air Jamaica, Kenco Coffee, United Rum Merchants and the recently-gained,

£1.3m plus Skoda car account. State Express Three Fives was formerly with Allen Brady and Marsh, which resigned the account some months ago. The official explanation: account unprofitability.

Mr. Scott says he has no qualms at all at taking on a cigarette account. "I enjoy smoking, and very firmly believe in free choice."

Current U.S. experience indicates that cigarette sales are teetering on the brink of irreversible sales decline. In Britain, a total ban on cigarette advertising is expected eventually, though not in the lifetime of the present Government.

SELFRIDGES, which previously handled its advertising itself, has moved its £2m-plus account to Michael Robinson and Associates.

WHITE HORSE Distillers has appointed Lonsdales to handle a UK advertising budget worth "well in excess of £0.5m" from January 1. Lonsdales suppliants French Cruttenden Osborne, which held

the account for five years. According to White Horse advertising manager Alan Ramsey: "Our recent award-winning campaign reflects great credit on FCO's creative talents, but extensive research indicated that the advertising, whilst memorable and visible, was not achieving the desired level of market penetration."

SUN ALLIANCE Insurance Group is running a £200,000 TV test campaign in January on Thames, Southern and Anglia. The agency is Sawards.

## IPC chases lost sales

ITS ADVERTISING revenues have boomed this year. But IPC Magazines, which publishes more than 70 titles and is Britain's biggest magazine publisher, has lost some ground on the circulation front. It is countering those losses with a £3.8m promotional campaign over the first six months of 1980.

The losses were slight, and in any case followed very buoyant sales levels in 1978. They were caused by publishing and production difficulties that were exacerbated by the TV strike. Promotional sums include £1.88m for the group's women's weeklies, £321,500 for the major monthlies, and a total of nearly £650,000 for new launches,

including World of Knowledge, a new magazine for children, the first issue of which is due on January 23.

Advertising revenue for the IPC Women's Magazine Group alone is expected to be 35 per cent ahead in the year to next March 31, taking it to more than £45m, and forward bookings, at least until May 1980, are running ahead of this time last year.

### It pays to answer back

Air Call will answer your telephone in the way that you want, whenever you want, 24 hours a day, 7 days a week.

**AIR CALL** Communications services

Another Air Call communication service. Ring FREEPHONE 2223 via operator to contact your local control centre.

### Think of the Portman as your own exclusive London Club

Having your own Club in the heart of London is as delightfully simple as staying at the Portman Inter-Continental Hotel. Although not a private Club, the Portman Hotel is the select choice of the experienced traveller.

It is considered by many as a meeting place for leading business executives the world over.

Being an Inter-Continental Hotel the Portman is elegant and intimate, with the friendly atmosphere and personal service you would expect from a club.

Yet the hotel is more than a gracious place to meet and do business. The Portman excels in providing good food and top entertainment. The essence of our business is to make your business a pleasure.

Beneath the luxury is a quiet efficiency which has helped us gain the reputation of Europe's top business hotel.

Our business services include:

- Teletext, a unique information service from your TV screen
- Pretext View Data, the revolutionary television/telephone linked information system
- Handy pocket-size page (so you can go out of the hotel confident of messages reaching you)
- Full secretarial plus translation and interpreting service
- A complex of suites and banqueting rooms with full conference facilities

We look forward to warmly welcoming you as a member and hope you will make use of your Club.

The Portman Inter-Continental Hotel  
22 Portman Square London, W1R 9PL  
Tel. 01-466 5844 Telex: 261526

### NOTICE OF REDEMPTION

To the Holders of

#### Phillips Petroleum International Investment Company

6% Guaranteed Sinking Fund Debentures Due 1981  
Due January 15, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of January 15, 1966 under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on January 15, 1980, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, \$820,000 principal amount of the above-described Debentures, each in the denomination of \$1,000 bearing the serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:

01	10	13	17	31	35	40	41	57	59	60	65	70	71	80	84
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Also Debentures bearing the following serial numbers:

3475	5725	5835	7135	7535	10235	14835	16235	19235	20635	24135
4035	5335	6835	7235	10135	13535	16435	19435	22435	23235	24235

On January 15, 1980, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015, or (b), subject to any laws or regulations applicable thereto in the country of any such offices, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Paris, or Banca Commerciale Italiana in Milan or Bank Mees & Hope NV in Amsterdam or Banque Internationale à Luxembourg S.A. in Luxembourg. Coupons due January 15, 1980 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a bank in the City of New York or by transfer to a dollar account maintained by the payee with a bank in such City.

On and after January 15, 1980 interest shall cease to accrue on the Debentures herein designated for redemption.

Phillips Petroleum International Investment Company  
Dated: December 13, 1979

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M-204	4751	7679	7703	8833	10445	12221	15277	16964	16439	17054	17149	17315	17578	20528	21856	22621
1116	4826	7689	7703	8854	10448	12289	15326	16968	16442	17057	17152	17318	17581	20529	21857	22622
1115	4808	7690	7704	8904	10467	12304	15345	16967	16443	17061	17156	17322	17585	20530	21858	22623
1215	7662	7623	8306	8935	10489	12328	15368	16996	16466	17082	17177	17343	17606	20531	21859	22624
1221	7664	7625	8314	8943	10491	12330	15370	16998	16468	17084	17179	17345	17608	20532	21860	22625
4186	7697	7635	8614	9248	11214	14086	16953	16297	17018	17067	17129	17183	17266	21433	21927	
4658	7669	7637	8749	9815	11215	15106	16954	16421	17049	17099	17158	17203	21437	22008	22626	

# THE HILTON ROOF. IT'S LIKE NOTHING ON EARTH.

Our Roof Restaurant is well known to London's romantics. If, however, you have business, rather than romance on your mind, you can be forgiven for not thinking of the Roof Restaurant as a place to meet.

But, 300 feet above London's hustle and bustle is proving to be a remarkably successful day time venue for receptions, presentations and luncheons.

So, if you're considering an important event and want something special, ring David Irving on 01-493 9751. We promise you won't be disappointed, until that is, you have to come down to earth.

Hilton International London  
22 Park Lane.

**H. UPMANN**

Havana's favourite Havana since 1844.  
Sole Importers: 10 Snow Hill, London EC1A 2EB.



General Motors: must try harder

BY GEOFFREY OWEN

WHAT'S GOOD for General Motors is not always good for Britain. GM's subsidiary in the UK, Vauxhall, has found selling British-made cars in Continental Europe so difficult that it has decided to give up the effort.

Duplication

Membership of the EEC does not seem to have done much for Vauxhall's business, except to make it easier to import like passenger cars which support a huge number of component suppliers and subcontractors.

It is not enough to say that these companies are responding to normal commercial stimuli, that if it is more profitable to make cars on the Continent rather than in the UK investment is bound to shift in that direction.

TV Radio

- 12.45 pm News. 1.00 Pebble Mill at One from HMS Dreadnought. 1.45 The Plumps. 3.55 Regional News for England (except London). 5.15 Play School (As BBC2 11.00 am). 4.20 Deputy Dave. 4.25 Jackanory with John Grant. 4.40 Screen Test. 5.00 John Craven's Newsworld. 5.05 Blue Peter. 5.35 Ivor the Engine. 5.55 Nationwide (London and South East only). 6.30 Nationwide. 6.55 Tomorrow's World. 7.20 Top of the Pops.

F.T. CROSSWORD PUZZLE No. 4,150

Crossword puzzle grid with numbers 1-25 and clues for Across and Down.

- 1 Cross-check (2, 4)
2 Happen to be autumn (6)
3 I like this drink a lot with one form of element (7)
4 Economical health resort joins combine (7)
5 Contemptible crowd spotted by chance (6, 3)
6 Bird sees how all the runners get on (9)
7 It helps pave the way to establish character of the emblem (9)
8 Root for chap winning first Olympic medal (7)
9 A Liberal master can turn up in year book (7)
10 Coach - south-eastern birds (5)
11 River that became the noble Avon (4)
12 Game area where we complain to a greater degree by the sound of it (6, 4)
13 He's entitled to stop one going to the East-end (7)
14 Get up that is suitable for policeman abroad (7)
15 Whirled around press boss and departed (8)
16 Engineers hint brought release (6)
17 Down
18 Hard blow has nothing to generate enthusiasm (5)
19 Put on after all other clothes exhausted (7)

Now Lord Denning backs a Bill of Rights

A BILL of Rights, incorporating the provisions of the European Convention for the Protection of Human Rights and Fundamental Freedoms, was passed by the House of Lords last week. This is a private Bill, introduced some three years ago by Lord Wade (Liberal) and there is no chance that it will be debated in the House of Commons in the present session.

Lord Denning thought earlier that one could leave it to English judges to apply these principles of English law which protect fundamental freedoms and that there was no need for special legislation. Earlier this week, he said that he noted a tendency among judges to forget these principles. He was now of the view that the European Convention on Human Rights should be incorporated into English law.

Bumper programme at Ascot

RACING enthusiasts have a top-class programme in prospect at Ascot on Saturday and all being well, the country's leading flat-racing Hunt course will attract a bumper card.

The most interesting aspect of the card at present is the fact three top class performers - Midnight Court, Venture to Cognac and the Canadian-owned Massey-Ferguson, one must regret that because its British rivals withdrew from the business, it was left as the sole maker of combine harvesters, manufacture of this machine is about to cease.

RACING

they could all play prominent roles at Cheltenham next March. Despite Midnight Court's moderate display at Huntingdon, where Fred Winter felt his charge was sufficiently well forward to make a winning return.

England - 5.55 pm Look East (Norwich). Look North (Leeds, Manchester, Newcastle). Midlands Today (Birmingham), Nationwide (London and South East), Points West (Bristol), South Today (Southampton), Spotlight South West (Plymouth).

11.00 am Play School. 4.50-5.10 pm Open University. 4.50-5.10 Preparatory Mathematics. 5.05 Singing Through Drawings. 5.40 Laurel and Hardy in 'Our Wife'. 5.55 George Formby in 'Turned Out Nice Again'.

11.20 Late News. 11.25-11.45 Closedown reading.

9.30 am Once Upon a Time. 9.45 This England. 10.15 Family. 11.05 Survival Special. 11.55 The Bubbles. 12.00 Animal Kwackers. 12.10 pm Tinkles. 12.30 Sullivans. 1.00 News plus FT Intro. 1.20 Thames News. 2.00 After Noon Plus. 2.45 Look's Familiar. 4.15 Project UFO. 5.15 Mr. and Mrs. 5.45 News. 6.00 Thames News. 6.25 Help! 6.35 Crossroads. 7.00 Britain's Strongest Man. 7.30 Charlie's Angels. 8.20 TV Eye. 9.00 Fallon Report. 10.00 News. 10.20 Thames News. 11.00 The Streets of San Francisco. 12.00 What the Papers Say.

11.25-11.45 Closedown reading.

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Technical and Managerial Staffs in connection with the closed shop. If the Convention were to be part of English law, English courts could apply it in English courts.

Delivering the inaugural Lord Fletcher Lecture organised by the European Group of the Law Society, on December 10, Lord Denning spoke about the influence of European law on English law. It soon became evident that, as far as Community law was concerned, he felt that there was rather too much of it in 1974 in the first Court of Appeal judgment which took EEC law into account.

Lord Denning compared this law to "the incoming tide which flows up our estuaries and flows up the rivers." Now, in 1979, he thinks it is somewhat more than an incoming tide: "It breaks the banks" are the words he used on Monday. The European Court had a way of dealing with words which he obviously did not like.

Words are not the stuff laws are made of and they suffer remarkable adventures in the lawyer's mouth. An example of this is the judgment delivered by the Court of Appeal on December 10th in the case of the 1,500 smugglers, Krugerrands. It appears that for the £300,000 worth of gold, now forfeited, three smugglers, received quite a bit of legal education both in English courts and in Luxembourg. This education started in the Canterbury Crown Court and present complaint of the Association of Scientific,

11.00 am. course inspection at Carlisle by Mr. Kit Paterson, clerk of the course, yesterday decided today's programme could not go ahead due to water-logging.

However, conditions look set fair for Uxeter, where Reidis, who surprised David Galdos when winning with ease at Uxeter, will race against a contingent that succeeds by taking the opener. Half an hour later, Blue Braes with a long trip and the testing conditions he relishes, is suggested with confidence for the Rochester Novices' Chase.

1.00 Reidis\*\*
1.30 Blue Braes\*\*\*
2.30 Sandra Bella
2.30 Celtic Isle\*
3.00 Highway
3.30 First Anniversary

1.00 Reidis\*\*
1.30 Blue Braes\*\*\*
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could be concerned only with the question whether customs officers were entitled to forfeit the Krugerrands in the first place. Mr. L. Blom-Cooper QC, who appeared for the German company, argued that Krugerrands were not "goods" within Section 44 of the Customs and Excise Act because the European Court had virtually held that they were not "goods" for their purposes. He suggested further that the Exchange Control Act of 1947 has taken gold and silver, bullion and coins out of the hands of the customs authorities and put it into the hands of the Treasury, and that to forfeit the Krugerrands when the German company was the true owner would be contrary to the European Convention of Human Rights and International law.

However, the three Appeal Court judges decided otherwise. They concluded that the decision in Luxembourg, that Krugerrands are not goods within the meaning of Article 30 of the EEC Treaty, has nothing to do with their classification as goods within the meaning of Section 44 of the Customs and Excise Act. Indeed, while this speaks only of imported "goods", previous Acts, from 1833 to 1899, made it clear that the word "goods" did include gold, silver, coins and bullion. The finding of the European Court that Krugerrands were capital merely meant, according to Sir David Cairns, one of the Appeal

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

judges, that they were not "goods" to which Article 30 to 37 of the EEC Treaty applied and that they were not goods at all. The customs authorities were allowed to keep the gold.

One might ask whether all this fuss was really necessary. It is clear to everybody that the EEC Treaty was not concluded to protect smugglers. If the Commission or any member government thought that the British prohibition of imports of Krugerrands was contrary to the Treaty, they had plenty of other means of saying so and, that matter before the European Court. Nor does this seem to be the only unnecessary reference. The European Court is now considering the confiscation by the UK Customs of some really nasty pornographic films.

It seems hardly necessary to trouble the nine judges in Luxembourg in order to say that the confiscation was not a disguised discrimination against Dutch pornographers in favour of British pornographers. Another such unnecessary reference concerns the expulsion from the UK of a man who was sentenced for rape. How the EEC freedom of movement for workers could protect him escapes me.

\*Aggressive Gold-and-Silver-scheiderstatt C Customs and Excise Commissioners. TLR December 10, 1979. \*\*European Court, Case No. 34/79, unreported.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit Cards 240 5558. Reservations 338 3181. ENGLISH NATIONAL OPERA. Tonight at 7.30: The Marriage of Figaro. Wed 7.30: The Barber of Seville. Sat 7.30: A Night at the Opera. Tickets from 10 to 200 of all parts.

COVENT GARDEN. CC 220 1085. ENGLISH NATIONAL OPERA. Tonight at 7.30: The Marriage of Figaro. Wed 7.30: The Barber of Seville. Sat 7.30: A Night at the Opera. Tickets from 10 to 200 of all parts.

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THE ARTS



Edward Byles as Vizek, Elisabeth Söderström as Eriika Marty, Thomas Hemsley as Dr. Kolonaty, Mark Hamilton as Albert Gregor and Helen Field as Kristina in the Welsh National Opera's new co-production with the Scottish Opera of Janacek's *The Makropoulos Case*

Dominion Theatre

The Makropoulos Case

by DAVID MURRAY

The Welsh National Opera's account of this Janacek masterpiece has been admired in our pages before, but Tuesday night's performance was a signal occasion. It opened their first London season for many years, under the sponsorship of Amoco UK—a piece of inspired generosity which is promised for the next four years, too, bringing us the W.N.O. and foreign opera companies in alternation. The company rose triumphantly to the test; on the strength of their eminently deserved reputation, they could all the Dominion Theatre for a good part of every year. The lack of a jargon orchestra pit there is a disadvantage, but not a crippling one. Richard Armstrong, the company's invaluable musical director, led an uncompromisingly full-blooded performance (rich in subtleties, too) the first intimations of the heroine's mortal weariness (in Act 2 were perfectly calculated), and yet the vocal music, words included, was very rarely covered—little more than in a purpose-built

auditorium. If that required heroic efforts by the cast, there was no evident strain. True, Elisabeth Söderström's heroine was fading by the end (but always at true pitch); since the lady in question is expiring at the age of 338, dramatic verisimilitude was unimpaired. Even for the sake of Janacek's ecstatic soprano line in that swan song, I should be ashamed to ask more of Miss Söderström than the complete and moving incarnation she offered. The role is so strong—mercurial, sardonic, contemptuously dominant, wretched at heart—that a merely competent artist can be imposing in it, and a really creative one can plumb it indefinitely. Miss Söderström was marvellously suggestive, with strict and beautiful economy of gesture; her splendid recent recording of the opera ought to come with a video-cassette. She revealed a continuous, developing dramatic line in Act 2, to mesmeric and memorable effect. Technical trials like the awkwardly abrupt drunk scene in the last act, where every soprano I have seen in the

role has stumbled, were child's play to her. She was admirably supported. Thomas Hemsley's Dr. Kolonaty was a tower of unshakable strength, toughly and exactly sung; Julian Moyte, without the full weight of tone Baron Prus might ideally have, was not found wanting at any dramatic juncture. Nigel Douglas remained stylishly on the right side of caricature as the senile ex-lover. There were unusually detailed performances by Edward Byles and Helen Field as the old clerk and his mousty brave daughter; a courageous sketch of young Gregor's high-flying music by Mark Hamilton, and a touchingly dim young heir from Arthur Davies. David Pountney's production, alive with intelligence and vivid detail, looked excellent in Maria Bjornson's visionary set, with a hard, bright light of eternity glinting through dusty rooms. The W.N.O. are not mere provincial visitors, but a company which set fresh standards for opera in Britain.

Elizabeth Hall

Juilliard Quartet

by ANDREW CLEMENTS

The worst trauma that can afflict a finely honed string quartet is a change of personnel. New players bed down only gradually into the interpretations and style of an established group. The leader, Robert Mann, is now all that remains of the original, pioneering Juilliard Quartet, yet the present line-up appears settled, and, on the evidence of Tuesday night's recital, thoroughly integrated. More integrated to these days is the Juilliard's Mozart. Two years ago they visited London with three recitals devoted to the great Mozart string quartets, patently, performances, one remembers, inconsistent in tone and intonation, flecked with idiosyncrasy. They began last night with the

A major quartet K 464, its structure seemingly instinctively controlled, the beginning of the first movement's development section almost unconsciously more focused than the preceding material. A few jagged sforzandos in the trio of the minuet were the only reminders of the familiar old mannerisms; surfaces too were faultlessly svelte. A generally lean tone and clear, precise contours have long made the Juilliard the most exemplary guides through the quartets of the Second Viennese School. A performance of Berg's Op. 3—hard to believe that its inclusion was the only reason for the hall's being half filled—was true to

their colours. One can imagine quite easily performances more overtly affectionate, more ready to relax, but few with such incisive rhythmic grasp (in itself not always an advantage in a work of such subtle ebb and flow) or such literal textural effect. Smetana's First Quartet completed the evening: unhappy in the first movement, Mr. Mann's violin momentarily losing its sweetness, most effective in the Largo sostenuto, its twin climaxes retaining both shape and intensity.

Bush

Wilfred

I do not know the "Brandon" those who do will no doubt recognise. Brandon, a self-obsessed fantasist whose prospect of another lonely Christmas is transformed by both his imagination and the apparent reality of his mother and his girlfriend, Wilfred is a large black invisible poodle whose incontinent activities in the wardrobe and on the lounge carpet are driving Hallam insane but extending his relationship with Shirley, who is too silent and distracted herself to notice the widening gap. As an exercise in manipulated fantasy, Mr. Timmiswood's writing is continuously fresh and surprising each revelation and trick feeding into the overall picture of Hallam, the disgruntled charity organiser of independent means, turning his back on the world. At one point, Hallam becomes Wilfred, describing how he was spotted in a Willesden pet shop. Philip

Jackson, who has previously squeezed Hallam dry with his expressive moon face and devastatingly flat delivery, suddenly leaps on the sofa muttering foul language, panting in undisguised mockery of his master and scratching himself red raw. It is a delicious moment. Hallam's mother too has an invisible dog, as it were, in the shape of her new boyfriend Ernest, whom we never see but who is nevertheless real; a grumbling accomplice in mother's ceaseless performance of chatter, he suffers from piles and chews his cardigan. With an imagined dog and an invisible adult, the play could easily have drifted away into inconsequential oblivion. But it does not, and Mike Bradwell's production keeps a firm grip. Mr. Jackson is well supported by Heather Tobias as Shirley and the hilariously overdone Anne Dyson as mother. MICHAEL COVENEY

Arts Council jazz bursaries

The Arts Council has approved 17 jazz bursaries between £250 and £1,430. These were selected by the jazz sub-committee of the Council's music advisory panel from more than 60 applicants. Bursaries for jazz and improvising musicians were first

awarded by the Arts Council in 1967, since when approximately 120 awards have been made to over 80 jazz musicians. Among recipients are Keith Bailey, Stephen Beresford, Brian Smith, Roger Cawkwell, Roger Dean, Peter Hart, David Macrae and Frank Roberts.

Record Review

In a spin by KEVIN HENRIQUES

Events of the past year have proved conclusively that the record business is in a terrible state of chaos. The widely publicised financial troubles of the EMI and Decca giants were only a partial manifestation of the malaise besetting this once high-profiting industry. Seemingly panic-stricken, it is floundering in all directions seeking a remedy for its ills. The search is on for some magic formula so that the golden days might return. At the moment, it is clear the industry feels that new recording techniques will provide one answer. In his November 22 record review on this page, Dominic Gill examined carefully the pros and cons of digital and direct-cut recording as far as classical music is concerned, and his comments apply equally to jazz which has not been unaffected by the new technology. In May, EMI brought out its first digitally recorded 12-inch single, "Love Don't Live Here Anymore," coupled with "Don't You Worry" (12DIG 1001) featuring jazz musicians Dick Morrissey (tenor-sax) and Jim Mullen (guitar). This was merely 10 minutes or so well recorded, thrillingly forgettable, rhythmically constricted music retailing exorbitantly at £1.99. At the same time, on the Har-

vest label (SBSF 4098), EMI released *Come Wreck*, an album of new fashionable "fusion" music, also by Morrissey/Mullen. This was distinguished by a blandness and lack of commitment sad to hear from two normally vigorous jazzmen. Significantly, the technical detail on the sleeve, meaningless to most buyers, far exceeded the information about the music or musicians. These two releases illustrate the apparent madness of the record industry which pours money and modern sophisticated technical resources into the production of an album, but which neglects to apply similar drive or attention to the artistic content. It is this last consideration which will finally sway jazz fans at least to buy a record or more importantly, to invest their money in new equipment. In this connection it has to be reported that many jazz record collectors have yet to buy headphones. But these are almost essential for binaural, or dummy head, recordings. Like direct cut, binaural is not a new technique. During this year two jazz albums by from concerts at last year's Chichester Jazz Festival, were released by a new company, Magnus. On Humphrey's *About* (Magnus 1) there are inevitably

unsatisfactory passages when the music is played through ordinary stereo equipment without headphones, but with them the effect is generally good. Most satisfying item of all, despite the guest appearance on several tracks of veteran tenor-saxist Bud Freeman, is the five-man front line version of "On Treasure Island," full of bobbing, weaving contrapuntal interplay. The highly percussive jazz-rock group Pax is heard on Magnus 2 and here the binaural method seems more successful even without headphones. Inside the Chichester Festival Theatre last year saxist Ray Charles seemed to be happily swapped by the Latin American percussion and the general electric but on disc the balance is much superior. Overall, though, the LP confirms the opinion formed after several live auditions of Pax that their music is clever but lacking in human heat. After listening to records produced via the wonders of modern technology which may have a long way to go before the inevitable revolution in listening habits occurs, it is salutary to turn to an "old fashioned" mono recording which is now being paraded as the "new" direct cut technique. Ironically EMI, through its World Records outlet, is ever-

busy turning out re-releases of pre-stereo records. Listening to one of the latest packages, *Happy Days Are Here Again* (World Records SH 337), 20 tracks of unashamed nostalgia recalling some catchy hits of the 1930s, comes the clear and positive confirmation that recording techniques have improved. But it is not being nostalgic and cloth-eared to contend that quite a few of the tracks here by such time-enduring bands as those of Jack Hylton, Ambrose, Roy Fox and Harry Roy, stand up well to the passing of the years. All 20 have vocals and there are even some fragments of "hot" jazz to keep the serious-minded fan happy. After a mono disc turn to a well-produced stereo album to realise again that a good recorded-by-tape performance, well pressed and heard through normal equipment still takes a lot of beating. For instance, the transfer to disc of Mike Westbrook's jazz/cabaret *Hana Chicago* (RCA 25252) brings a new insight and dimension to a work which, when I first heard it earlier this year in the uncabaret-like atmosphere of the Venus at Victoria, was acutely disappointing. Such an ambitious project, where words are as important as the music, deserves the care and attention a good recording

can provide. (Significantly, perhaps, this was made in Germany.) Certainly the harshness of city life in gangster-ridden Chicago registers more vividly on the LP where the hard, cynical lyrics are delivered with intense fervour and conviction by Phil Minton and Kate Westbrook. Also the inclusion of the words on the sleeve of the double-album aids enormously to proper appreciation of the work. Top recording quality too for a well-high priced piece of duo guitar playing on *After Hours* (JTC Records, JTC-1, distributed by Wave Records) by Martin Taylor and Ike Isaacs. In age separated by 37 years the two mutually sparking musicians show no generation gap in their musical interpretation of nine standards, plus an Isaacs original to which they bring much empathy, lots of clever interaction, exquisite care and devotion. These last two qualities are applicable to a middle-of-the-road album somehow appropriate for this time of the year. *Braji Plays Bop, Vol. 1* (Pizz 5501) on which the superb jazz cornettist Ruby Braji brings characteristic Crosby-relaxation to 12 tunes associated with the crooner who always had a deep inner allegiance. Impeccable strings and accompaniment from Neil Richardson.

New York, Metropolitan

Mahagonny

by ANDREW PORTER

The Metropolitan Opera's latest production is of Kurt Weill's *Rise and Fall of the City of Mahagonny*, given in the English version (somewhat revised) that David Drew and Michael Geliot made for Sadler's Wells in 1963. James Levine conducts, John Dexter produces, and Jocelyn Herbert designs—the same team that put on the recent *Entführung*. As in that production, the Met stage is built out over the orchestra pit and into the house (and once again the prompter's box, evidently immovable, pokes out from the stage floor about 10 ft in). But where the *Entführung* had a light, bright setting, *Mahagonny* plays before a blackcloth and wings of funeral black relieved only by the Brechtian *Garden*, or white half-curtain, swishing to and fro on its wire. It is a production staged to the textbook Brechtian recipe, but executed without distinction or imagination, and ineffective in the vast expanses of the Met. When the singers are well forward, their voices carry; when they retreat into the open set, much of the sound is lost. (In Ming Cho Lee's similarly open "Boris" scenery, Martti Talvela's voice does not sound large.) Several of the cast are elderly, and Mr. Levine keeps his orchestra down—so the result lacks the vividness that has marked every other *Mahagonny* of my experience. On the first night, this exciting and beautiful opera made a curiously tame effect. Mr. Levine's experience with Mahler (he has now recorded six of the symphonies, and plans to complete his "cycle" soon) surely have led him surely into "Mahagonny," but the marches lacked weight and force, and

the lyricism of the score was not ardently sounded. Yet where the tight, crisp approach was needed, in the band music of the fighting scene, Mr. Levine seemed oddly relaxed. Teresa Stratas is Jenny. She is an intelligent and attractive artist, and does the role well, but her voice is rather small for the huge house. Still, it is an operationally trained voice, and so it was disappointing that she sang not the original operatic setting of "Ach, bedenken sie" but the cabaret setting Weill devised for Lotte Lenya when she did Jenny in the 1931 Berlin production. Richard Cassilly brings intensity and power to Jimmy Mahoney, but his timbre is often disagreeable. Astrid Varnay is a feeble Begbick; the voice is a wreck. Ragnor Ulfrung is Fatty and Cornell MacNeil is Trinity Moses, and neither is particularly effective. But another veteran, Arturo Sergi (that shining Lohengrin when Hamburg came to Sadler's Wells in 1962) is a bright, forward Jacob Schmidt. At Sadler's Wells, when Ronald Dowd's Jimmy went berserk with a knife towards the close of Act I, everyone on the stage seemed to be in danger. Here, Mr. Dexter's direction is so tame and unpointed that the episode makes little effect. A colleague remarked wryly that Mr. Dexter doing nothing is at any rate preferable to Mr. Dexter trying to do something with an opera; but *Mahagonny* has an imperfect libretto and its shape, progress, and sense need to be defined more acutely than they are in this staging. The textual decisions, in this opera where many must be

taken, do not help. I have mentioned Jenny's "Ach, bedenken sie." The Act-of-Love scene is weakened by the interpolation of the *Craves Duet*—something Weill sanctioned only until such time as theatres had "courage" to discard it, or possibly (as he suggested, and as Sadler's Wells did) move it to Act III. "Benares," one of the most difficult numbers to fit in (it was taken over from the plotless little *Mahagonny* "Songspiel" composed "to test the musical idiom envisioned for the full-scale opera") was given the prominence of an individual scene. In 1931, and in the Brecht text, it was simply omitted. But it is good and apt music, and David Drew's suggestion that it should be played as a soda at the trial is surely the one to follow. This *Mahagonny* is likely to improve. On the first night, everyone seemed too inhibited, too respectful. The musical roots of *Mahagonny* are in Mozart, Wagner, and Mahler—three composers whom Mr. Levine understands. I hope that later in the season I can add a more cheerful postscript to this review. At a Sunday-night benefit concert, the excellence of the Met orchestra—New York's better full-time orchestra, for the Philharmonic under Zubin Mehta does not play well—were on show when it was lifted out of the pit. James Levine conducted the *Tannhäuser* overture and-bachanelle and Elisabeth's *Götterdämmerung* Funeral March and *Immolation* Scene, and the *Salome* Seven-Veils Dance and finale. Birgit Nilsson was the vocalist—her first New York appearance in several years. (She



Astrid Varnay as Leocadia Begbick in Weill's *Rise and Fall of the City of Mahagonny*

had a disagreement with the Internal Revenue Service; now it's been patched up, and later in the season she sings Elektra.) Miss Nilsson is the same age as Miss Varnay (61, if we're being uncharitable), but her voice make one easier for the Ring that must surely be in preparation, however, become less occasional. And when that brilliant, unwearying, tremendous beam of sound is misdirected, one notices. Mr. Levine's funeral march was tremendous. Its weight, grandeur, and vitality make one easier for the Ring that must surely be in preparation, however, become less occasional. And when that brilliant, unwearying, tremendous beam of sound is misdirected, one notices. Mr. Levine's funeral march was tremendous. Its weight, grandeur, and vitality make one easier for the Ring that must surely be in preparation, however, become less occasional.

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## New cast in Ireland

THE POLITICAL map of Ireland suddenly looks quite different, at least in terms of personalities. The resignation of Mr. Jack Lynch as Irish Prime Minister and his replacement by Mr. Charles Haughey.

In the wider context of Irish affairs, however, Mr. John Home has succeeded Mr. Gerry Fitt as leader of Ulster's Social and Democratic Labour Party (SDLP), and Mr. Humphrey Atkins has been Secretary of State for Northern Ireland long enough to be regarded as anything more than a freshman. Even on the security level changes are under way: Sir Kenneth Newman, who has done the State some service, will cease to be head of the Royal Ulster Constabulary at the end of the year, while there will also be a new commander of the armed forces.

## Contrast

Yet it is the election of Mr. Haughey which gives most pause for thought. Over the years Mr. Lynch had developed into a likeable even lovable figure who, it was thought, could be trusted. He might have been infuriatingly vague at times, but it was generally recognised by those who dealt with him that he was doing the best he could both for Ireland and for Anglo-Irish relations: the two are not always seen as common causes. His relationship with Mrs. Margaret Thatcher appeared to be particularly promising.

Mr. Haughey, by contrast, is an adventurer. He has not been given to denunciations of the Provisional IRA and has been suspected of sympathising with it. He is much more identified than Mr. Lynch with the demand for a united Ireland and the call for a declaration of intent on the withdrawal of British troops from the north, though both are in fact party policy. There is no obvious reason to think that he has much love for Britain.

## Economy

There are other ways, however, in which Mr. Haughey's qualities might be more appropriate to the task ahead than Mr. Lynch's downfall seems to have come about largely because of

## Participation in industry

THE GOVERNMENT, as expected, has decided to discontinue the worker director experiment in the Post Office, mainly on the grounds that the management and a majority of the independent members of the Board felt that the scheme was not doing any good. The decision is resented by the trade unions concerned, but there is little point in compelling the executives to operate a system in which they do not believe. The hope must be that the management and unions can reach agreement on an alternative arrangement which will genuinely extend employee involvement in Post Office decisions. For while legislative compulsion is inappropriate in this field, there is a need for movement and experiment, in the public as well as in the private sector.

## Aspirations

This need is reinforced in a survey published yesterday by the Anglo-German Foundation, which throws useful light on what people in industry actually want in the way of greater participation. The survey, which included a detailed inquiry among companies in the metal manufacturing and service industries, shows that the amount of involvement in decision-making at work is "astonishingly low."

The survey also suggests that people's aspirations for greater involvement are quite modest. Workers want to increase their influence over decisions which affect their jobs from "being informed beforehand" to "giving their opinions." They do not go so far as to ask that these opinions should be taken into account. While there was wide agreement among those questioned that greater employee participation would lead to better decisions, the preference was for an evolutionary improvement, not a dramatic change in the hierarchical decision-making pattern.

## Middle managers

The employees who felt themselves most hardy done by were the middle managers. A very great difference in involvement clearly exists between them and top management. Too often the middle manager is the forgotten man of British industry, with too little authority over the people below him and too little trust from his superiors. It is

## Full steam ahead for the 'British PWR'

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN, HAVING failed to develop a satisfactory alternative nuclear reactor of its own, is to license foreign design for full-scale demonstration under British operating and safety conditions. This will be confirmed by the Government any day now, when Mr. David Howell, Secretary for Energy, formally gives the electricity supply industry approval to proceed with a new 1,100-megawatt nuclear power station. The project has several features, however, which will be hotly contested in some quarters.

Britain's primary need for nuclear reactors is to ensure that the country continues to enjoy reliable, low-priced supplies of electricity round-the-clock. British coal, its dominant fuel for electricity, cannot in the view of the Government be relied upon to fulfil the role adequately in the decades ahead. A second reason for being in the nuclear reactor manufacturing business is that it gives Britain the opportunity of re-entering the reactor export market it pioneered in the 1950s, with sales to Italy and Japan.

The Government's problem is that the reactor Britain itself has developed—the advanced gas-cooled reactor (AGR)—has proved troublesome to build to the very high standards demanded by the nuclear safety authorities. Under British nuclear regulations, a reactor must satisfy the health and safety authorities of both its operator—the culpable party in law if things go wrong—and the Government. The AGR, at least in its present form, is an engineering product which largely must be assembled on the construction site, where it is far more difficult to maintain standards of cleanliness and engineering integrity. This is rather like trying to build jet engines in an airport hangar.

The reactor Britain plans to import as an alternative to the AGR is the pressurised water reactor (PWR). It was developed originally, both in the U.S. and the Soviet Union, as a compact nuclear powerplant for submarines. Britain itself licensed the U.S. submarine design for its nuclear navy in the late 1950s and is now building its second naval PWR on-shore in Scotland, for trials and training. Both the U.S. and the Soviet Union went on to design much larger versions for nuclear power stations, and these produce electricity today at least 14 countries. (No other country has tried to build an AGR. The performance of the world's PWRs surpasses that of any other type of reactor, with the possible exception of Canada's handful of Candu reactors.)

For the past two years, since the Labour Government approved Central Electricity Generating Board plans to investigate the PWR as an alternative to the AGR,

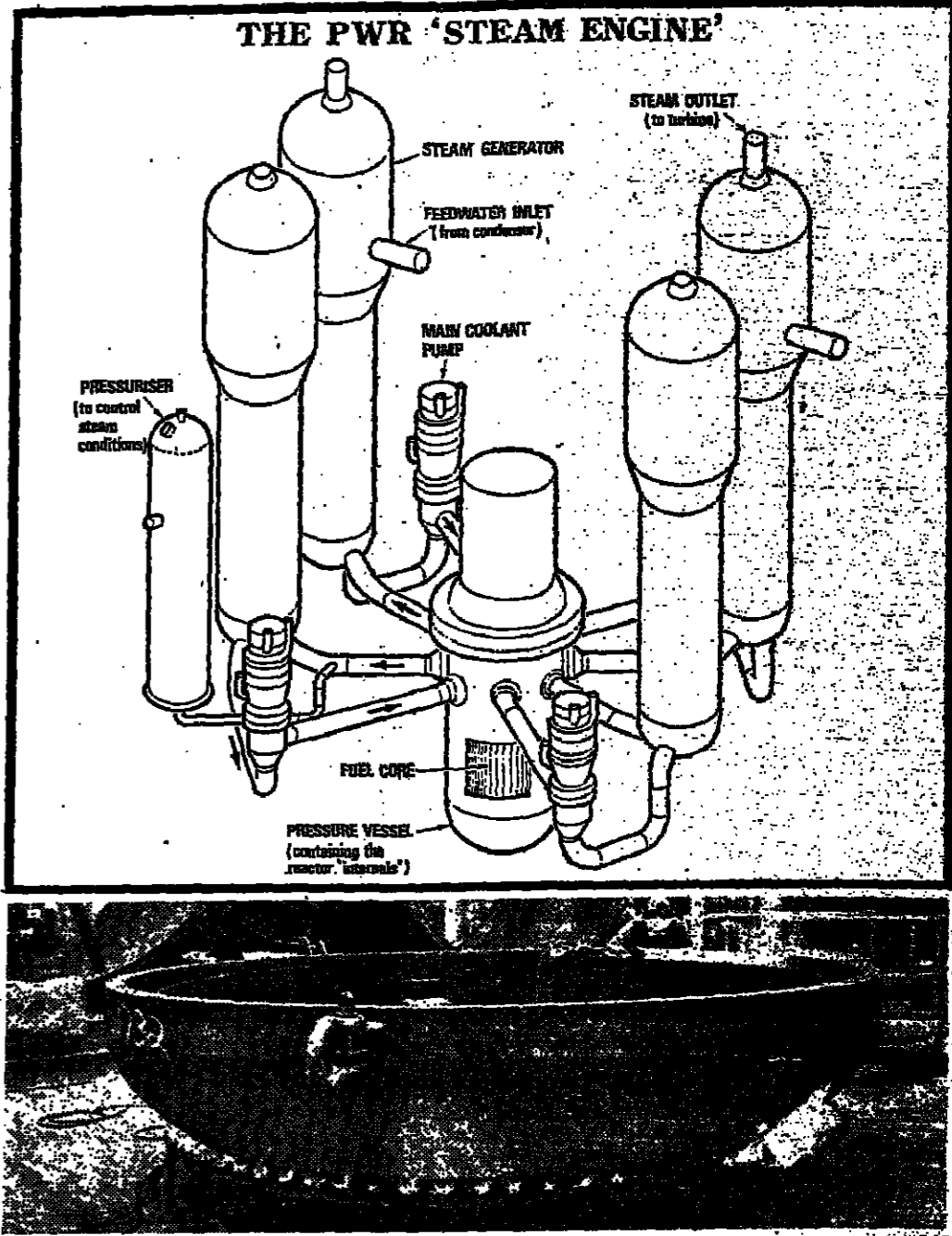
As engineers in other technologies such as aircraft and micro-electronics understand well, technology transfer in the more advanced industries means much more than air-freighting a heap of drawings to Britain. It means providing detailed instructions on every step in the manufacture and testing of every single part of the system. It means specifying to close limits the material from which every bit will be made, how it is to be treated, and precisely how the parts are to be assembled. It means setting up a system of quality assurance that will guarantee that the wrong welding rod could never be used without the mistake being detected. It means knowing how to distinguish the flaws that matter from those that do not (such as the highly publicised "cracks" in the French PWRs, which were passed by the French safety authorities).

It may even mean setting up joint studies or research projects to ensure that both parties are talking precisely the same language, and that every relevant detail of a complex component is understood by the licensee. For the AGR, only the fuel assemblies had been life-tested to the standards needed before the AGR power stations were built.

To help with the passing of "know-how," Westinghouse will assign a team—six of them senior engineers, working in Britain—to the transfer of technology to Britain. It will also give the National Nuclear Corporation access to its manufacturing plants, including two quite remarkable factories in Florida. At Pensacola, in an idyllic setting, it sculpts stainless steel by the tonne on leviathan machine tools, to clockmaking standards of precision in a spotlessly clean cathedral. This factory is making "internals," the guts of the reactor itself, which supports the core of nuclear fuel. The internals are assembled from about 20,000 separate parts, into sets which, in the case of the British reactor, will weigh the best part of 200 tons.

Pensacola has the capacity to assemble 10 complete sets of reactor internals a year. It replaces an infrastructure of more than 100 sub-contractors formerly used by Westinghouse to produce the parts from which it assembled reactors. Britain is struggling to assemble its AGRs by the sub-contractor method long discarded as "not very successful," by Westinghouse and moreover to put the together at a site. At Tampa, Florida, among palms on the shore of the Bay of Mexico, Westinghouse has a factory specialising in another big and complex component of the nuclear steam engine. This is the steam generator, the 460-tonne unit which raises steam to spin the turbo-generators. Bigger even than the reactor's pressure vessel, these mighty cylinders stand 70 ft tall and wide enough to drive a truck through the steel barrel.

But whether Westinghouse



Putting the finishing touches to the bottom of a pressure vessel for a PWR.

Mostly they are filled with finely wrought tubes of Inconel superalloy in which the superheated water circulating round the core of nuclear fuel passes its heat to the steam-raising circuit. The membrane separating the two circuits is a plate of hot-spur steel, 21 inches thick, with 10,000 perforations into which steam tubes are welded. "We're one of the world's largest fabricators of holes," claims a Westinghouse manager. He has a \$6m machine tool which drills them five at a time. Round his factory are a dozen points at which the customer is invited to inspect his purchase "and make sure it's the way he wants it" during the two years it takes to make units costing \$4m apiece. All this adds up to boiler-making under "clean-room" conditions hollermakers never dreamed of in the 1960s.

About 25 per cent of the value of the first British PWR is expected to be ordered from factories such as Tampa and Pensacola, in the belief that the best way of giving British industry a chance to break into the world market for reactors is to build the first PWR on a very fast schedule. But the import will amount to only about 5 per cent of the cost of the complete power station. The decision to import heavy electrical plant is bound to be controversial. But only when the industry knows that more orders are forthcoming will it make the substantial investment required in special-purpose factories in Britain for these parts. Westinghouse, incidentally, puts the replacement value of its Pensacola factory today at about \$50m.

But more hotly contested than

receives the orders for the British PWR parts—and there is no doubt that it could do with the business—depends crucially on a political problem. This is the U.S. Government's Non-Proliferation Act of 1978, which seeks to re-assert the control the U.S. enjoyed until the early 1950s over the western world's use of nuclear energy. It can be interpreted to mean that in selling Britain key parts of a U.S.-designed reactor, the U.S. Government would thereafter be able to dictate what Britain could or could not do with any nuclear fuel irradiated in the reactor. Such conditions would be intolerable to Britain, which has already made known its intention of pursuing a policy towards spent nuclear fuel which the U.S. opposes.

## New sources of supply

But the U.S. is not the only source open to Britain. Westinghouse has already licensed its PWR technology to France, Spain and Japan, all of which have tooled up plants with the know-how if not the production capacity of the Florida factories. West Germany equipped itself under a Westinghouse licence which it later abandoned, believing that its technology had outstripped that of its licensee. The latest arrival is the Soviet Union, which has developed its own PWR technology, is just commissioning the Atomshash manufacturing complex where 1,000-megawatt PWRs will be built for the Comecon nuclear programme. But more hotly contested than

the decision to import key pieces of heavy electrical plant at a time when the British industry is short of orders will be the question of planning permission for the demonstration. Ironically, the likely site chosen for the CEBG will be much further from a sizeable centre of population than towns such as Ramsgate and Dover are from the 5,000 megawatts of PWR power Electricité de France has begun to commission near Calais.

Opponents of nuclear energy will make every effort to rekindle the fears expressed widely by U.S. citizens when the PWR on Three Mile Island ran amok last March. For this reason the demonstration PWR design is to be exposed to a full-scale public inquiry, of the kind conducted for the new Windscale reprocessing plant in 1977. Since the CEBG does not expect to have a complete design ready before the latter half of 1981, the inquiry will probably take place in 1982.

Enough is already known from the flurry of investigations since the U.S. accident to suggest that the advice to the British Government of its nuclear inspectors in 1977 is still sound. At Three Mile Island all safety systems "worked and worked well," to quote an expert member of the Kemeny Commission which reported to President Carter last month. But in a world still fearful of nuclear energy, a public inquiry which approved the British PWR as decisively as the one which approved the Windscale project could deliver British industry's passport to reactor markets world-wide.

## MEN AND MATTERS

## Beating the queue with barges

A helicopter flight along the Thames yesterday revealed a vista of decline and emptiness in London's dockland. But down in Sheerness there was a mood of optimism surrounding a £15m vessel named Baco-Liner 1.

This German-invented cargo carrier has bows which open wide to allow 12 rectangular steel barges carrying 800 tonnes, to float in and out, with gentle nudging or pushing by a tug. Baco-Liner 1 will sail tonight for West Africa, to the notoriously overcrowded port of Lagos, for which it was specifically designed.

Next month a sister-ship will join the West African run; a third is in prospect. With each vessel having an overall capacity of 21,000 tonnes, the "baco-fleet" presents a serious challenge to existing lines.

"I admit that I enjoy taking on the establishment," says Tom Hodge, chairman of Westgate Shipping, which has the agency for Britain. The owners of the ships, Rhein Maas und See, do not belong to the West Africa shipping conference, which fixes the freight rates. "We should not wish them to belong," says Hodge.

The barges, carrying a total of nearly 10,000 tonnes, can be moved in three hours, then the bows are closed again. Containers on deck can be offloaded on to pontoons by the ship's gantry, without any need to come alongside. This revolutionary idea was dreamed up by a Hamburg captain named Moncke, who was disgusted by the confusion at Lagos in 1975 when 400 ships—mostly carrying cement—were waiting for berths.

Westgate, founded three years ago and now having a turnover of £7m a year, is closely linked to the success or failure of the baco-liners. "We have leased £1m worth of containers to the



"It's our Area Health Administrator—be's suffering from redundancy symptoms"

German owners," says managing director Ken Jaffe. He and Hodge are both still in their thirties and have a breezy aggressive style which contrasts with the more staid traditions of the conference.

The new ship has its critics and sceptics. Ideally, it is one customer to one barge, and getting 800 tonnes to the port at the right moment is a transport headache. But the German officers, demonstrating to British exporters yesterday how the bows open and shut, seemed pretty confident that they are sailing a ship of the future.

## Mole watchers

With characteristic mischievousness, chairman Malcolm Muggersidge said that yesterday's literary luncheon held at the Dorchester by Foyle's was a "gathering of spies." The event was for Andrew Boyle, author of *The Climate of Treason* and exposé of

Boyle is a quiet man who did not appear to relish the hero-worship. When Muggersidge nominated him for the post of "Keeper of the Queen's Moles," Boyle said that although there were "about 30 others" besides Blunt, he did not care to expose them.

A galaxy of celebrities eyed one another awfully, including Woodrow Wyatt and Arthur Koestler, looking like darkness at noon. Boyle has snatched the literary headlines and, despite being so self-effacing, has a flair for making authorship pay. His previous feat was to fight the Inland Revenue, and win, over the taxation on the Whitbread Prize for Poor Dear Brendan, his biography of Brendan Bracken.

## Down on the farm

The vogue for deep-freezes coupled with rising meat prices has given Britain's farmers something new to grumble about—rustling. It is an area which was once the province of the small-time opportunist, but no longer. "I would draw back," says Bob Wright, spokesman for the National Farmers Union, "from saying there's a Mr. Big. But there is some organisation behind individual thefts." Recent cases include 120 lambs from a farm in Warwickshire. Large quantities of pigs have also disappeared in Oxfordshire, and a number of NFU regions have begun to organise reward schemes.

One of the latest victims is Lincolnshire farmer Cyril Rayner, who the other night lost 13 pedigree cattle in one fell swoop. His farm near Newark is just off the A1 trunk road: "They could have been in any county of England or Wales before dawn," he says gloomily. Rayner has offered a reward of £500—the beasts are worth at least £10,000 altogether—not only because he wants them

back but "because the thieves are likely to follow up this raid with even bigger ones."

More unusually, Rayner has also offered to send photocopies of sketch cards—in effect Identikit pictures—to any farmer who thinks he may have bought one of the rustled Friesians. He is optimistic that the 13 are still alive. It is at least probable they are still in Britain. Transporting cattle is a cumbersome business at the best of times, but moving them abroad illegally presents formidable problems, partly because a recent innovation has been a plastic tag in the middle of one of the ears. Removed, it leaves a tell tale hole.

If Rayner is wrong about their being alive, what is the likely fate of his cows? "Somebody's deep-freeze, I'm afraid," says Wright.

## Light relief

No less entranced than the rest of us by the white heat of the technological revolution, an inventor in Iowa is sceptical about how soon the electronic newspaper will really be saving him the trouble of opening the front door in pyjamas to see if his newspaper has arrived. To make the wait more bearable, he has invented—and filed a patent application for—a device which turns on the light in the kitchen when the morning paper hits the front doorstep. Of course, it can only work if the newsboy aims straight.

## The very end

Overheard: "Remember that old boy who used to walk around here with one of those 'The End is Nigh' placards?" "I do indeed. Where the hell is he now that we really need someone to cheer us up?"

Observer







# Marley advances to £22m after better second half

PROFITS before tax of Marley rose by £2.77m to £13.93m in the second six months to October 31, 1979, pushing the full year result ahead from £18.62m to record £25.07m. Sales of the building materials group reached £292.5m, compared with £250.9m.

1978-79 1977-78  
 1878-79 1977-78  
 2000 2000  
 Sales 232,522 250,911  
 UK 180,320 182,583  
 Overseas 52,202 68,328  
 Trading profit 27,047 22,138  
 UK 15,149 14,516  
 Overseas 11,898 7,622  
 Interest paid 4,976 3,822  
 Profit before tax 22,071 18,616  
 Tax 3,365 5,126  
 UK 710 3,586  
 Overseas 2,655 1,540  
 Net profit 18,706 13,490  
 To minorities 1,411 832  
 Dividend 834 834  
 Retained 14,400 9,888

\* Reduced by £3.5m for stock appreciation relief and by £2.7m for the excess of capital allowances over depreciation. † Relates to gain of £1.22m, less tax of £0.25m, on disposal of common shares.

At the interim stage, when reporting profits of £8.14m

Company	Page	Col.	Company	Page	Col.
Baggeridge Brick	20	4	Management Agency	20	4
Bids and Deals	23	1	Marley	20	1
Bulmer (H. P.)	21	4	Mining News	24	6
Butterfield Harvey	23	4	Moorgate Investment	20	3
CompAir	22	7	Moss (Robert)	20	1
Deritend Stamping	20	7	Normand Electrical	20	5
Durapipe Int.	21	6	Redfeam National	21	6
Elson & Robbins	20	6	Safeway	23	7
Graig Shipping	21	7	Sellers of Leeds	20	7
Guthrie	21	1	Shaw Carpets	21	1
Harold Ingram	20	5	Thermo-Skyships	20	6
Lee (Arthur) & Sons	22	7	Trafford Carpet	21	1

(£7.45m), the directors said that the first-half results had been affected by strikes but business at home and abroad had improved and they expected a better second six months.

Sales and trading profits for the year were split between (£182,583) and (£15,149 (£14,516)

and overseas £102,162 (£88,348) and £11,898 (£7,622) respectively. After-tax earnings per 25p share are stated ahead from 12.7p to 17.6p, while the dividend total is stepped up to 4p (2.78098p) net, with a final of 2.5p—a final of not less than 2.2p had been forecast.

See Lex



Owen A. Aisher, chairman of Marley... record full year profits.

# Deritend expands 23% midway

TAXABLE profits of The Deritend Stamping Company rose 23 per cent to £816,000 in the six months to August 31, 1979, compared to £663,000 last time. Turnover went ahead from £15.05m to £17.01m.

Although demand for the group's products—forgings, castings and electrical installation—is not generally so buoyant as earlier in the year, the directors anticipate similar results in the second half.

The surplus is struck after a

sharp increase in interest charges, from £35,000 to £123,000, and includes a £181,000 loss (£172,000 loss) from subsidiary Blackheath Stamping.

Blackheath was sold in October, resulting in a £35,000 capital loss, but the directors feel the sale will have a beneficial effect on the group's performance in the remainder of the year.

After higher tax of £122,000 (£11,000) for the six months, stated earnings per 50p share are up from 18.5p to 19.7p.

The net interim dividend is maintained at 3.3p—last year a total of 11.02p was paid on 12 months' profit down from £1.8m to £1.36m.

# Robert Moss 26% ahead

PRE-TAX profits of Robert Moss, plastic injection mouldings manufacturer, increased 26 per cent from £252,508 to £318,474 in the half-year to September 30, 1979. Sales showed a 29 per cent increase to £1.65m.

The interim dividend is effectively raised from 0.82p to 1.0p. Last year's total was equal to 1.5p.

In view of the effects of the engineering strike and the possibility of further industrial unrest during the coming months, Mr. R. B. Cole, the chairman, says that the board is not in a position to assess whether or not the increase in first half profitability will continue in the second half.

Mr. Cole expresses confidence

in the future. This stems from the policy of diversification into new products, new markets and a wider spread of customers.

It has been decided to commence the next phase of its expansion plan which is to build a 40,000 square feet extension to the production area.

Planning consent has been given and work will commence in the near future with completion aimed at early 1981.

Stated earnings per 10p share are 1.85p (1.6p).

GROSS REVENUE of Moorgate Investment for the half-year to November 30, 1979, increased from £199,198 to £258,025. After tax of £72,384 against £57,422, net revenue is higher at £151,521 compared with £111,979.

The forecast increase in the interim dividend is made, rising from 1.75p to 2.25p and the Board expects to recommend a total for the year of not less than 6p (4.74p). Stated earnings per 25p share are 3.32p (2.4p).

At the half year, the net asset value is 113.1p (108.2p).

	1979	1978
Sales	1,650	1,280
Profit before tax	318	253
Tax	130	82
Net profit	188	151
Dividends	70	52
Retained	118	97

ASSOCIATES DEAL  
 I and A. Scrimgeour bought 875,000 Draway Day Group shares at an average price of 59p on behalf of associates of Home Investment Trust on December 11.

# MAM improves to £3.1m: raises dividend

PROFITS before tax of Management Agency and Music improved from £2.78m to £3.12m in the year ended July 31, 1979 on higher turnover of £18.91m compared with £16.07m previously.

With first half profits up from £1.04m to £1.41m, the directors confirmed their January forecast that full year profits would show a modest increase over those of 1978.

● comment  
 Despite an almost static second half, MAM has managed a 12 per cent pre-tax profit rise. The reduced royalty-sharing arrangement with key stars Tom Jones and Engelbert Humperdinck was the main reason for the unexciting second half. Most profits growth has come from the group's juke box and fruit machine side—this accounts for over half of all profits. The hotel division is doing well too; there are now eight hotels owned by MAM. The record side of the business followed the general slump in the sector and turned in a small loss. The policy of diversification and expansion is undoubtedly necessary since the fortunes of recording stars cannot be guaranteed. The overall net dividend is up a healthy 34 per cent, to yield 10 per cent at 2.26p, up 2p. The p/e comes out at around six on a full tax charge.

	1978-79	1977-78
Turnover	16,814,671	16,071,427
Profit before tax	2,727,876	2,785,260
Tax	1,227,823	1,029,775
Net profit	1,500,053	1,755,485
Minorities	8,974	20,502
Attributable	1,491,079	1,734,983
0/0 goodwill	334,965	219,267
Dividends	618,958	490,451
Retained	872,121	1,044,532
Unappropriated	829,822	1,239,417

Earnings per share are stated as 25.5p against 23.6p and a final dividend of 5.9875p lifts the total

# Baggeridge Brick comes back with record £0.6m

After reporting a recovery against £179,445. Comparisons have been restated.

The company manufactures bricks and supplies materials to the UK building industry.

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The company manufactures bricks and supplies materials to the UK building industry.

# Elson & Robbins raising £1.3m—profits up 40%

RECORD PRE-TAX profits up 40 per cent from £1.66m to £2.33m for the year to end September, 1979 and a deeply discounted rights issue to raise £1.28m gross are announced by Elson and Robbins, makers of springs, vinyl foam and products for the domestic appliance industry.

The proposed rights issue of 3.3m shares, which has not been underwritten, is on the basis of one-for-two at 40p per share, compared with a market price yesterday of 107p, down 6p.

The directors, while not making a profits forecast for the current year, report that sales in October and November were "substantially above" the previous comparable period.

"If there is no serious deterioration in the economic climate, our progress should be maintained," they say. The directors expect to pay dividends on the increased capital of not less than the total of 5p per share proposed for the year 1978-79.

Stated earnings for 1978-79 are 33.73p, against 13.06p, per 25p share.

On this basis, the p/e is 3.1 at yesterday's share price of 6.1 fully-adjusted. The ex-rights yield is at least 0.4 per cent.

For Elson and Robbins' sales

increased from £6.8m to £7.3m and profit from £903,837 to £1,096,711. During the current year the company is to run a pilot scheme of converting polyurethane foam, as well as develop F.V.C. foam to be used as a flame retardant application for the bedding and upholstery trades.

At Domestic Industrial Pressings sales increased from £7.5m to £11m and profits from £702,913 to £1,058,898. The directors say that this result is now reflecting the near absence of pressure in the liquid petroleum gas market. They expect further improvements in the next year.

Turnover at Thomas K. Webster (UK) was £1.17m, against £1.05m, while profits fell from £138,442 to £70,072. Although the result is slightly disappointing, this is due to the market conditions and high interest charges on the new factory, the directors say. This subsidiary should make substantial progress during the next financial year, they add.

Heuror (Partitions) retained a steady profit figure and they see "no growth or change in pattern here at all."

Exports amounted to £1.2m against £807,000 in the year.

On the one hand the country

this year faces its first current account deficit for 14 years, thanks in particular to a strong surge in imports and to a bigger deficit on services. On the other hand, the Deutsche Mark now accounts for roughly 11 per cent of the reserves of non-German monetary authorities, and the trend is towards a further increase. These two points together imply a potential challenge to currency stability such as the country has never had to face.

# TREASURY STOCK

The Bank of England announces that, in accordance with the terms of the prospectus, the 9 per cent Treasury convertible stock 1980 will be repaid at par on March 3, 1980 or, at the option of holders, may be converted as at that date into 9 per cent convertible stock 2000 at the rate of £10 nominal of 9 per cent conversion stock 2000 for every £100 nominal of 9 per cent Treasury convertible stock 1980 converted.

A notice setting out the administrative arrangements to be issued, with the relative forms, on January 2, 1980.

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On the one hand the country

and indications recently received by joint stockbrokers to the effect that the Slides and Parsons from institutions who would normally subscribe until the last day, they remain "confident that not less than the minimum subscription of £1.4m will be received."

The directors also say that they are "encouraged by the continuing interest in the project being shown by three European Governments."

# Thermo-Skyships extends offer for sale by three weeks

The offer for sale by Thermo-Skyships to raise £3.2m has been extended for three weeks because, the company says, of the continuing encouraging response from private investors. So far £316,000 has been put up by 641 investors.

This is Thermo-Skyships' second attempt to raise cash. Last year a prospectus was issued in an attempt to raise a total of £6.4m in two stages. The attempt failed. Even though European Ferries agreed to subscribe for between 35 and 60 per cent of the issue only £368,000 was put forward by the public.

Closing date on the latest issue has been extended from December 7 to December 28.

The company states that the vast majority of the 641 applications received since Monday, December 3, and requests for prospectuses are still being received at the rate of 100 a day from both UK and overseas investors.

In a statement yesterday the directors said that in view of European Ferries' commitment to invest £1m under this offer, the encouraging public response

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# Sellers of Leeds placing

County Bank has placed 400,000 preference shares of £1 at par in Sellers of Leeds, a privately-owned company which distributes electrical equipment from 17 locations in the Midlands and the North of England.

The shares have been allotted to nine investors, including pension funds, banks and charitable institutions. With 40,000 ordinary shares in issue at par in Sellers of Leeds, a privately-owned company which distributes electrical equipment from 17 locations in the Midlands and the North of England.

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# THE MINING ASSOCIATION OF THE UNITED KINGDOM

## THE CHALLENGE FACING THE MINING INDUSTRY

### STATEMENT BY MR. K. H. WALLIS

The thirty-fourth annual general meeting of The Mining Association of the United Kingdom was held in London on 12th December, 1979. In his speech to the members, the retiring President, Mr. K. H. Wallis, said:

Last month the mining industry had the pleasure of seeing one of its number installed in office as Lord Mayor of London. Appropriately Sir Peter Gadsden's Lord Mayor's Show had as its theme "Natural Resources and the Environment," the Mining Association's contribution being a float bearing the legend "Metals make the world go round." Poetic licence perhaps, but containing an important element of truth. Without adequate supplies of metals and minerals the standards of the industrialised world would decline and the potential improvement in those of the underdeveloped world would fail to materialise.

The present pre-occupation with oil supplies has obscured the fact that the world is also destined to be short of most other minerals, including virtually all metals, unless there is a dramatic increase in the rate of investment in mining projects and related infrastructure over the depressed level of the past few years. The change is a formidable one and meeting it will require all the resources of skill and finance the mining industry can muster.

The United Kingdom is fortunate in having substantial natural resources in the form of coal, oil and gas. The North Sea fields however have a limited life and it clearly makes sense for some of the benefits of Britain's current near self-sufficiency in fuel minerals to be reinvested in the production of metals and other minerals. The relaxation and subsequent abolition of exchange controls were therefore extremely welcome—the more so to the Mining Association because this question has been high on our agenda for many years.

Regrettably no comparable progress has been made towards removing the disincentives to mining investment contained in the UK taxation system—in particular the double taxation suffered by shareholders in UK companies on dividends paid out of overseas income. We intend to renew our representations on this score and hope that the philosophy which led to the abolition of exchange control will also be sympathetic to the removal of tax obstacles which distort investment decisions.

The need to create wealth and therefore higher standards and greater stability in an increasingly "fragmented" Third World gives importance to the efforts to encourage new mining projects in such countries. The political hazards involved are however often more than individual companies feel justified in incurring and political risk insurance schemes along lines already discussed with the UK Government and the EEC would be of considerable value. At the same time it is only logical that a great part of the needed new investment should take place in the major proven mining areas of the world where infrastructure and expertise are available to build upon—and especially in those countries which have consistently entered agreements and respected foreign investments. One such area is South Africa, the living standards of whose population would, in my mind, be needlessly damaged, along with the world economy in general, if investment in its immense mineral potential and mining skills was hindered by the imposition of sanctions. We have seen too many recent examples of suffering caused when social change is brought about by destructive means and it is encouraging that the present British Government inclines to a realistic and positive approach to the problems of southern Africa.

Closer to hand, the development and even the exploration of the United Kingdom's own mineral resources is impeded both by the difficulties of obtaining mining rights and by the unsatisfactory nature of the planning procedures. After many years of discussion some progress is at last being made on these fronts but it is still too early to say whether the proposed new planning legislation will represent a significant overall improvement.

More generally, it is important that when local and central governments and supranational authorities exercise their powers to block new projects or impose new standards they should give proper consideration to the alternatives available and the costs involved. These costs are usually borne by a much wider public than the more vociferous interests whose representations have carried most weight—an example being the foregone economic growth, higher power prices and greater atmospheric pollution from use of outdated conventional plants which will result from continued failure to resolve the nuclear energy debate.

# NO PROBE

The proposed acquisition by Lloyds and Scottish of James Talcott Factors Inc. is not to be referred to the Monopolies Commission.

# Normand Electrical sees reasonable rise for year

PRE-TAX profits up £147,000 to £553,000 are reported by Normand Electrical Holdings for the half-year ended September 1, 1979, and the directors expect results for the year to show a reasonable increase on 1978-79 when pre-tax profits were £1.03m.

Tax takes £259,000 (£246,000) giving first-half earnings per share of 3.2p against 2.9p. The interim dividend is effectively raised from 0.9508p to 1.0827p—the previous total was equal to 2.53456p.

The directors say that although the present economic climate gives cause for concern, no particular trading pattern has emerged as order books in some areas have shortened whereas others have improved.

Company	Current payment	Date	Corre- Total	Total
			div. of	year
			spending	last
			div.	year
Baggeridge Brick	2.5	Feb. 6	2.61	3.75
H. P. Bulmer	2.66	Feb. 11	2.48	2.61
H. P. Bulmer	2.66	April 6	2.48	7.66
Butterfield-Harvey	1.3	Jan. 22	1.8	2.3
Compair	2.86	Feb. 29	2.39	4.5
Deans	2.3	Feb. 18	2.4	2.8
Deritend Stamping	3.3	Feb. 25	3.3	11.02
Durapipe	0.62	April 1	0.53*	2.36†
Guthrie	9	April 2	6	21
Hongkong Rubber Int.	8	Feb. 6	8	28
Holyrood Rubber	14	Feb. 8	12	40
Harold Ingram	1.44	Jan. 28	1.44	3.09
Kuala Selangor	4	Feb. 6	2.5	9.5
Arthur Lee	1.25	Feb. 22	1.1	1.54
MAM	5.89	Feb. 20	4.29	6.27
Marley	2.5	March 6	1.78	4
Moorgate Inv.	2.25	Jan. 14	1.75	4.74
Robert Moss	0.7	Jan. 31	0.62*	1.52*
Normand Electrical Int.	1.09	Jan. 30	0.95†	2.52†
Redfeam Glass	11.37	Feb. 14	10.56	16.54
Shaw Carpets	4	Jan. 31	1.5†	4.6
S. W. Wood Group Int.	2.0	Feb. 13	1.8	4.6

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

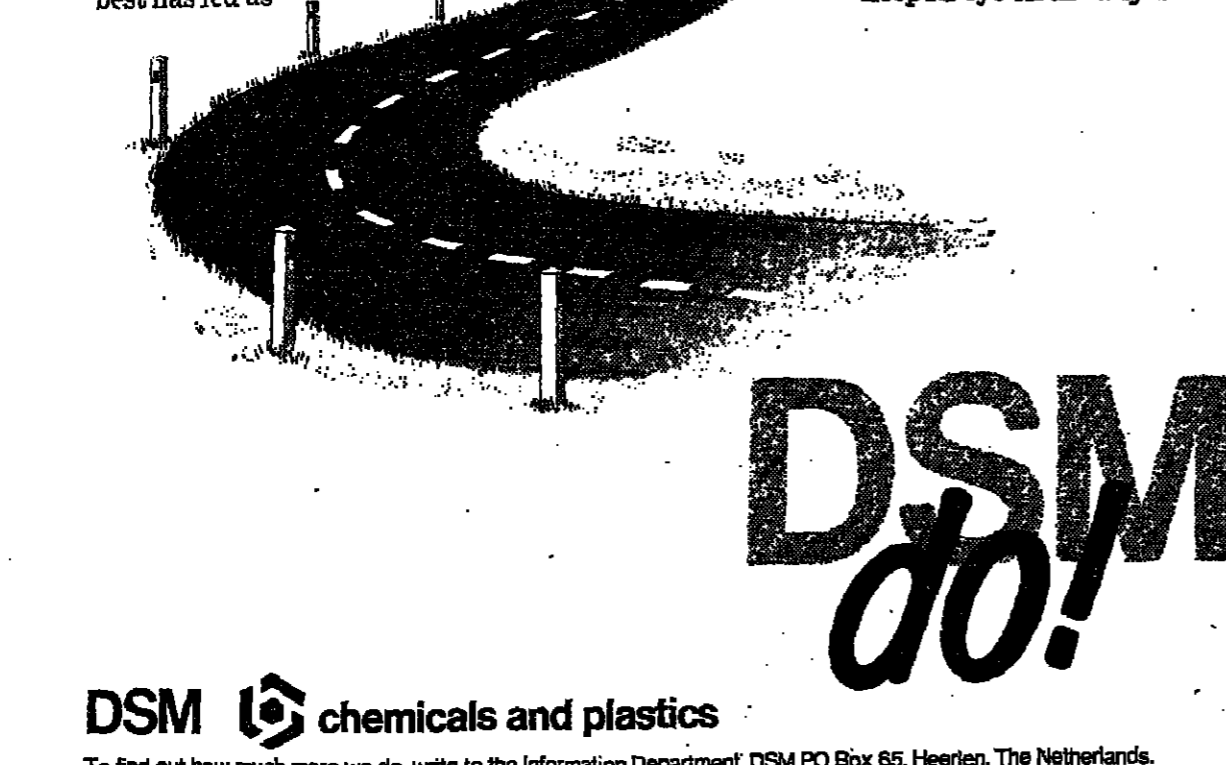
December 12	Price
	% + or -
Banco Bilbao	228
Banco Central	224
Banco Exterior	204
Banco Hispano	216
Banco Ind. Cat.	141
Banco Madrid	125
Banco Santander	251 +3
Banco Urquijo	210 -2
Banco Vizcaya	216
Banco Zaragoza	175
Dragados	100
Espanola Zinc	60
Gal. Preciosas	30.7
Gal. Preciosas	33
Hidroala	58.7 -0.3
Iberdrola	81.0
Petroleros	112.5 -1.5
Petroleros	112.5
Petroleros	112.5
Sogefasa	115
Telefonos	58.5
Union Elect.	58.7

# The way ahead

Chemicals and plastics is a hard business in Europe these days. Margins are being slimmed, prices and profits cut. To stay in the race, companies have to be resilient. New markets, new technologies and new products have to be tested rigorously and, as ever, new ideas are at a premium.

At DSM, one of Europe's great chemicals and plastics groups, our ideas have taken us along many avenues, but one of the best has led us

towards better cars and safer roads. Our new Keltan TP, a thermoplastic rubber, is ideal for car bumpers and can now be seen on some of the busiest roads in the world on Citroens, Rovers and Volkswagens. And soon mudguards, interior trims and cable insulation will be made from Keltan TP. But that's not the end of the road show. Keltan TP also goes on the road in the shape of tough but flexible reflector posts which mark out traffic lanes and dangerous curves. One way or another, DSM likes to keep its eye on the way ahead.



DSM chemicals and plastics  
 To find out how much more we do, write to the Information Department, DSM PO Box 65, Heerlen, The Netherlands.

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Companies and Markets

UK COMPANY NEWS

Guthrie up 90% midway, but could miss forecast

FOLLOWING ON the record £20.9m in the last full year, taxable profits for Guthrie Corporation jumped 90 per cent from £4.76m to £9.09m for the first six months of 1979. Turnover of the rubber plantation and international trading group rose by £3m to £133.17m.

The directors say the second half performance will be similar to the first six months, but add that a number of factors are hindering the achievement of the previously forecast full year profit of £30m, before tax.

Table with 3 columns: Six months, 1979, 1978, 1978. Rows include Turnover, Operating profit, S.E. Asia, etc.

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Shaw Carpets slides at half time FROM turnover of £18.7m against £15.02m, for the 27 weeks ended November 2, 1979, profits before tax of Shaw Carpets fell from £949,000 to £616,000.

The directors say the performance should be seen against a UK industry background of closures, redundancies and short-time working, caused by reduced exports, higher imports and curtailed consumer demand.

The interim dividend is being effectively maintained at 0.5p per share—the previous total was equal to 2p on pre-tax profits of £1.64m.

First half profit is after interest, £101,000 (£118,000) and depreciation, £553,000 against £505,000. Tax takes £312,000 (£502,000) leaving net profits at £308,000 compared with £447,000.

A sobering six months at Shaw Carpets, followed crucially on last year's doubled profits. The problems are familiar: higher sterling, higher feedstock costs, higher import penetration.

In Shaw's sector of tufted carpets, U.S. imports have risen over the year from 1 to 5 per cent of the U.K. market. The next six months will be equally tough, as distributors continue to run down stocks under interest-rate pressure.

The long-term outlook is brighter than this year's downturn suggests. The closure of competing Associated Weavers will give Shaw more space in the UK market, and the EEC is considering tariffs to counterbalance any advantage that U.S. producers may continue to enjoy from lower feedstock costs.

The Milltron computerised patterning machinery is performing well, and with the investment programme over Shaw is putting cash into the bank and can afford maintained dividend payments, which for the full year, would indicate a projected yield of 11.2 per cent on the unchanged price of 36p.

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The group's pectin activity achieved a better half-year trading performance, mainly due to the improved supply of raw materials.

All overseas activities reported improved results. Progress has been maintained in the Australian subsidiary, where the development of new markets for concentrated apple juice from the Tasmanian operation has been particularly successful.

The group has continued the test marketing operation for its ciders in the U.S., he adds.

Wines and spirits' sales value rose by 24 per cent and trading profit by 44 per cent. This trend is expected to continue in the second half.

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Bulmer shows rise to £2.3m

PRE-TAX PROFITS of H. P. Bulmer, the Hereford-based cider maker, rose by 19 per cent from £1.93m to £2.3m in the half-year to October 26, 1979, on sales 20 per cent higher at £57.7m.

Much will depend on the level of sales during the peak Christmas period, he adds. Half-year interest charges were more than doubled at £364,000 because of an increased level of borrowings, mainly to fund last year's record apple crop, and higher interest rates.

However, the chairman does not expect the rate of increase to be as great in the second half. All trading activities achieved an improved performance in the first half and contributed to the 28 per cent rise to £3.16m in trading profit. Trading profit before tax was 12.6 per cent (11.8 per cent) of sales.

Strongbow and Pommagne sales maintained their growth, the chairman says, and although traditional draught ciders continued to decline, cider sales volume was 2 per cent higher.

He adds that cider sales volume in November was 3 per cent above the same month last year. Selling prices of some of the group's ciders were increased last month, and the rest will be raised by about 10 per cent immediately after Christmas.

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Redfearn Glass boosts profit in second half

AFTER THE slump from £1.78m to £339,000 in the first half, Redfearn National Glass completed the year to September 30, 1979 with pre-tax profits of £5.31m against £3.9m previously. Turnover improved from £48.06m to £55.97m.

However, it is again likely that the group will only break even in the first half of the current year, the directors say, but they forecast a substantial second half improvement as was the case in the year under review.

In these circumstances results for the current year are likely to be comparable with those of 1978-79, the directors add. Stated earnings per share are 49.67p against 58.8p but a final dividend of 11.27p lifts the total from 15.84p to 18.55p.

Profit for the year is after interest of £1,055m against £821,000. Tax takes £290,000 (£232,000) leaving net profits at £3,020m compared with £3,585m.

Capital expenditure for the year amounted to £3.7m. Despite difficulties created by the road haulage strike and competitive conditions, there was a net cash inflow during the year.

The directors explain that the first half of the current year will include some large and unusual costs. Efforts to conclude negotiations on a cost reduction programme are successful, substantial redundancy payments will have to be made during the first half and the savings will accrue in the second half.

The second half will also include the planned re-build of one of the large furnaces at the York factory with a severe, but temporary effect on profitability.

comment Redfearn's 40 per cent second half improvement during a damp summer on the corresponding period of 1978 is an indication that the group is fully capable of recovery but, due to exceptional factors this winter, profits will probably remain on a plateau in the current year.

There is a chance now that the tide of foreign market penetration is reaching a high water mark and price increases, so difficult to push through a year ago, are now beginning to stick. But the benefits of a 10 per cent price

rise at the beginning of last month will be swallowed by redundancy costs of some £500,000—to be taken above the line—as Redfearn attempts to cut fixed overheads. Moreover, a major furnace, representing about 15 per cent of total capacity, will be out of commission for ten weeks during a re-build. The result is that Redfearn will break even in the first half and profits will be more than maintained for the full year. On a prospective p/e of 8.2 and an historic yield of 11 per cent the shares have probably gone far enough for the present after a 13p rise to 2.25p yesterday. The total UK market for glass has dropped by about a point in 1979 and, although Redfearn's slice has climbed to 16 per cent, volume growth will be hard to come by in 1980. P/E development represents a useful area of potential growth but the real breakthrough may not be achieved until (or unless) one of the major brewers puts down a wide mouth bottling line. The group believes that this horizon has now shortened to the medium-term.

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Durapipe dips in first half

REFLECTING greater cash utilisation in support of group expansion, pre-tax profits of Durapipe International, manufacturer of plastic pipework and lifting tackle, fell slightly from £81,000 to £68,000 in the half year to September 30, 1979.

Other factors contributing to the reduced surplus were the engineering strike, which resulted in a net profit of £27,889 compared with a loss of £778,330.

In their interim report the directors say that in order to take advantage of this position the company has on time charter two vessels of 15,000/16,000 tms dwt for three to five months trading, and one vessel of 266,000 tms dwt for eight to eleven months trading.

These three, together with the company's own two vessels, are all now trading profitably. However, the directors say that it is difficult to anticipate the future when world opinion generally seems to expect that there will be a further recession next year.

With Government approval, the consortium controlling the three oil and gas exploration licences in southern England, in which Graig has a 30 per cent interest, is to proceed with a programme to further the company's investigations into the licences potential.

A full and detailed seismic of licence NL671 to be completed in the next few weeks. Results are now being evaluated and should be available early in the new year.

The consortium is to dispose of 51.5 per cent of the company's interest in licence NL470 to Shell UK. This is in exchange for the completion of a considerable amount of seismic study on the licence, and work has already started on the area.

A detailed seismic study has already been carried out by Conoco Inc, which has licences surrounding NL489. The directors state that it is only necessary, therefore, for the company to complete a comparatively small area of seismic of this area and the company will exchange the information gained with neighbours to give them a fairly broad and detailed picture of the situation.

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Shaw Carpets slides at half time

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PYE CAMBRIDGE

Eye of Cambridge, a subsidiary of Pye Holdings proposes to cancel the 2,935,855 51 per cent cumulative preference shares of Pye of Cambridge in return for cash payment by Pye Holdings of 88p per share.

Today's company meetings

A. Arenson, Lincoln House, Colney Street, St. Albans, Herts., 12.30. Audio Fidelity, Queens Hotel, City Square, Leeds, 10.00. BNP Assets Trust, 1 Charlotte Square, Edinburgh, 2.30. S. Casket, Midland Hotel, Manchester, 12.30. Eleco, The Middlesex Street, Abercorn Rooms, Great Eastern Hotel, EC2, 12.00. LWT, South Bank TV Centre, Kent House, Upper Ground, SE, 12.30. London Entertainment, Palace Theatre, Shaftesbury Avenue, W. 12.45. London Shop Prop. Trust, Winchester House, Old Broad Street, EC, 2.30. McKeechle Bros, Midland Hotel, Birmingham, 12.00. Martonair, The Connaught Rooms, Great Queen Street, WC, 12.00. F. W. Thorpe, 75 Harborne Road, Birmingham, 3.15. Wenyus, 4 Melville Crescent, Edinburgh, 12.00. Westward TV, The Studios, Derry's Cross, Plymouth, 2.30.

A FINANCIAL TIMES SURVEY CONTAINER INDUSTRY FEBRUARY 5 1980. The Financial Times proposes to publish a Survey on the Container Industry. The provisional editorial synopsis is set out below: Introduction The rapid early growth of the container transport industry has slowed down in line with the falling volume of world trade. The effect of the current overcapacity in containers on shipping lines and on freight rates. Prospects for the 1980s. Shipping Ports Labour Freightliner New Technology Air Freight Regulations The Container Companies Copy date is January 22. For further information and advertising rates please contact: Adrian Blackshaw Financial Times, Bracken House 10 Cannon Street, London EC4A 4BY Telephone: 01-248 8000 Extn. 7152 Telex: 885033 FINTEM G. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER. The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor. M. J. H. Nightingale & Co. Limited 27/28 Lovat Lane London EC3R 8EB Telephone: 01-638 8651. 1978-79 High Low Company Price Change Div (p) Gross Yield % P/E. 89 99 Airpang Group 75 - 6.7 8.9 4.41. 50 25 Armitage and Rhodes 38.0 - 3.8 10.0 2.97. 22 142 Bardon Hill 222 - 13.2 6.2 8.51. 101 50 Debonair 53 - 5.0 5.4 10.2. 153 140 Deborah 177 - 333 - 17.5 5.0 8.23. 147 100 Frederick Parker 108 - 12.8 12.1 7.1. 158 110 George Blair 119 - 16.5 15.0 - 1. 81 81 Jackson 190 - 5.2 8.7 3.51. 152 87 James Burroughs 115 - 7.2 6.5 10.1. 242 242 Robert Jenkins 242 - 31.2 12.9 4.71. 232 150 Torday Limited 224 - 14.3 6.4 5.81. 34 14 Twynlock Ltd 18 - 0.8 4.7 3.41. 82 89 Twynlock 12 1/2 ULS 75 - 12.0 16.0 - 1. 56 23 Unilock Holdings 56 - 2.8 4.6 11.9. 84 42 Walter Alexander 82 - 4.4 5.3 5.4. 180 136 W. S. Yeates 184 - 11.5 6.3 7.1. 186 186 W. S. Yeates New 186 - - - - -

The Bank of Nova Scotia 1979 ANNUAL STATEMENT. Condensed Statement of Assets and Liabilities as at October 31. Statement of Revenue, Expenses and Undivided Profits for the financial year ended October 31. Executive Offices: 44 King Street West, Toronto, Canada. 1,095 offices in Canada, the Bahamas, the Caribbean, Aberdeen, Athens, Atlanta, Bahrain, Beirut, Belfast, Belize, Boston, Brussels, Buenos Aires, Cairn, Caracas, Chicago, Cleveland, Dubai, Dublin, Edinburgh, Frankfurt, Glasgow, Guyana, Hong Kong, Houston, Jakarta, Kuala Lumpur, London, Los Angeles, Manchester, Manila, Mexico City, Miami, New York, Oslo, Panama, Paris, Piraeus, Portland, Rio de Janeiro, Rotterdam, San Francisco, Seoul, Singapore, Sydney, Thessaloniki, Tokyo. Subsidiary and Affiliated Banking Companies: Scotiabank de Puerto Rico; The Bank of Nova Scotia Jamaica Limited (50 offices); The West India Company of Merchant Bankers Limited, Kingston, Jamaica; The Bank of Nova Scotia Trinidad & Tobago Limited (16 offices); Bermuda National Bank Limited; Maduro and Curriel's Bank N.V., Netherlands Antilles; The Bank of Nova Scotia N.V., St. Maarten, Netherlands Antilles; The Bank of Nova Scotia International Limited, the Bahamas; The Bank of Nova Scotia Channel Islands Limited; BNS International (Ireland) Limited; BNS International (Hong Kong) Limited; The Bank of Nova Scotia Asia Limited, Singapore; Security Bank & Trust Company, the Philippines; Schroder, Darling and Company Holdings Limited, Australia. C.E. RITCHIE Chairman of the Board, President and Chief Executive Officer. Scotiabank THE BANK OF NOVA SCOTIA. J.A.G. BELL Executive Vice-President and Chief General Manager.



Companies and Markets

OIL and GAS NEWS

UK COMPANY NEWS

# The Clydesdale Investment Company Limited

## Higher Dividend and Scrip Issue

Annual Results for the year ended 30th September, 1979

	1979	1978
Equity shareholders' interest	£81,757,693	£65,361,312
Asset value per share	103.7p	109.8p
Revenue available for ordinary shareholders	£1,220,958	£1,158,758
Earnings per ordinary share	2.10p	2.00p
Ordinary dividends per share	2.15p	1.90p
Capitalisation issue in B ordinary shares	2,12355%	1,82306%

Distribution of equity investment at 30th September, 1979

	1979	1978
U.K.	39.64%	33.12%
U.S.A.	37.10%	37.60%
Japan & Asia	14.12%	20.13%
Europe	4.10%	5.01%
Brazil	1.60%	1.63%
Others	3.44%	2.51%

### Dividend and Capitalisation Issue

Your board recommends a final dividend of 1.45p making 2.15p for the year as compared with 1.90p for the previous year.

The board also recommends a capitalisation issue of one for two to ordinary and B ordinary shareholders.

It is expected that the amount available for dividend in respect of the current year will again increase. The board is therefore recommending an interim dividend on the ordinary share capital as increased by the capitalisation issue of 0.50p (as compared with the equivalent of 0.4667p for 1979).

### Repayment of dollar loans

Following the abolition of exchange controls, we have towards the end of the Company's year and since the year end, made forward purchases of US dollars to repay on the due dates approximately 71 per cent of the US dollar loans.

### Change of Name

It is proposed to change the name of the company to Murray Clydesdale Investment Trust Limited in line with the policy to identify individual companies more closely with their management group.

Copies of the report may be obtained from the Secretary, The Clydesdale Investment Company Limited, 163 Hope Street, Glasgow G2 2JH. An Investment Trust managed by Murray Johnstone Limited.



# Pertamina signs deals totalling \$304.4m

**PERTAMINA.** Indonesia's national oil company has signed five production-sharing agreements with international oil companies for a total exploration investment of \$304.4m (£140m) over the next ten years.

Three of the agreements concern areas of which control is disputed by Vietnam, while the other two are concessions offshore the eastern tip of the province of West Irian.

Mobil Indonesia, a subsidiary of Mobil Corporation, was awarded two blocks in the disputed Natuna Sea area, Natuna D-1 covering 5,240 sq km and Block D-2 of 5,040 sq km.

The company will spend \$45.7m over six years and \$22.5m in the following four years on the first block, with a signature bonus of \$12m, plus bonus payments of \$8m on production of 50,000 barrels a day and \$10m on 100,000 barrels a day.

On the second Natuna block Mobil will spend \$48.7m over six years and \$22.5m in the following four years. Signature bonus is \$10m and production bonuses the same as for the first block.

Chevron Indonesia and Texaco gained the third Natuna area, Block C, of 7,800 square km, and will spend \$18.5m over six years. Signature bonus is \$1.5m, with a production bonus of \$6m on discovery of a commercial field, \$8m on production of the first barrel, \$15m on 50,000 barrels a day and \$25m on 100,000 barrels a day.

The Royal Dutch Shell group was awarded the Mamberamo block of 14,675 square km in West Irian, and has agreed to spend \$137.5m in the next 10 years. The group will pay \$5m when oil production exceeds 20,000 barrels of oil a day, or 250m cubic feet of gas a day, \$10m on 75,000 barrels or 500m cubic feet and \$15m on 150,000 barrels or 750m cubic feet.

A consortium comprising Conoco, Total, Chevron and Texaco acquired the Nauka block of 42,755 square km in Irian Jaya and have agreed to spend \$8m over the next four years on the gas-oil ratio of 800 cu ft per barrel. No water was encountered on 100,000 barrels and \$9m on 200,000 barrels, but no signature bonus was required.

For the Natuna area 85 per cent of oil production will go to Pertamina and 15 per cent to the contractors after deduction of costs. Gas contracts are on a 70 to 30 per cent ratio.

For the West Irian areas oil production will be split 55 to 15 per cent in favour of Pertamina, but the gas ratio is reduced to 65 per cent to 35 per cent.

Contractors are required to sell 10 per cent of their interests to Indonesian companies on striking oil and also provide 1.5 per cent of their oil at \$0.20 a barrel for local refineries.

Western Mines, the base-metals mining arm of Brascan, will buy for C\$20.1m (£7.9m) certain oil and gas properties in Western Canada from the Abacus group of companies, reports John Seganich from Toronto. Purchase of each parcel is subject to receipt of a satisfactory title report.

Working interests have been purchased in producing oil and gas properties in 16 principal operating areas. Six gas properties, four oil properties and two oil and gas producing properties are located in central and South Alberta. Three oil properties and one gas property are in south Saskatchewan.

On the basis of a reserves report prepared by consultants as of July 1, 1979, for Abacus Cities, Western has acquired estimated net proved and probable reserves totalling 703,000 barrels of oil and 12,870m cu ft of natural gas.

In addition to the producing properties, the package includes 24,381 net acres of miscellaneous non-producing lands in Alberta and Saskatchewan.

Chevron Standard, operator of the group of companies drilling the Hibernia P-15 well offshore Newfoundland, says that production testing of the interval 3,852 to 3,868 metres produced a flow rate of 2,635 barrels of oil a day of 24.5 API gravity oil with a gas-oil ratio of 800 cu ft per barrel. No water was encountered during testing.

The company plans to test additional potential hydrocarbon zones above 3,852 metres. Other participants in the well are Mobil Oil Canada, Gulf Canada Resources, Petro-Canada and Columbia Gas Development of Canada.

Dome Exploration has exercised its right to purchase a 3.5 per cent working interest in 3.9m acres in the promising Beaufort Sea from Colombia Gas Development of Canada at a price of C\$50m (£19.8m).

The latter had previously sold the 3.5 per cent interest to Overseas Petroleum Corporation, a Japanese company, for the same amount but under the terms of an agreement between Dome and Columbia that company was required to offer the interest to Dome at the same price.

Dome estimates that the interest is worth substantially more than the price paid. However, Dome stressed that the purchase should not be construed as indicating any reluctance to have Overseas Petroleum or any other Japanese companies participate in Beaufort Sea exploration.

### Outlook at Smiths Inds.

Reiterating his previous forecast that full year turnover and profits would advance, Mr. Roy Sisson, chairman of Smiths Industries, said at the AGM that with difficulties still facing many sectors of UK industry, the task would not be easy.

The start of the current year had seen the damaging engineering strike and the cost to industry as a whole had been heavy. Now that normal trading had resumed he was encouraged by the trend evident in October and November trading results. However, time was not on the group's side to make good the profit shortfall by the half year.

# CompAir sees 28% downturn

**DEPRESSED** by a continuing recession in the construction sector and the effects of the engineering strike, taxable profits of CompAir, manufacturer of air compressors and pneumatic equipment, slipped 28 per cent from £11.88m to £8.38m in the year to September 30, 1979.

Although they feel it would be premature to form a judgment on the future course of business, say there is an improving trend in the UK. They expect to have a clearer view of prospects in overseas markets by February.

Turnover for the 12 months rose slightly from £147.35m to £153.56m, and the directors point out that although most subsidiaries achieved a creditable performance in terms of sales, few were able to avoid a reduction in profit margins.

The surplus is struck after increased interest charges of £4.08m (£3.9m) and depreciation £3.22m (£2.97m). Tax is lower at £3.59m (£3.3m), giving earnings per 28p share down from 12.13p to 8.77p, or from 11.54p to 8.49p fully diluted.

The dividend is lifted to 4.5p (4.09p) with a final of 2.85p. Comparative figures for last year have been restated following the adoption of SSAP 15 and a change in the method of stock valuation at a U.S. subsidiary.

As a result of these changes in accounting policy, reserves brought forward have been

increased from £36.08m to £34.76m. Reserves have been increased by a further £4m as a result of a professional revaluation of property and the board's valuation of other assets.

Exchange losses for the year of £2.1m (£2.03m) have been charged direct to reserves.

1978-79 1977-78

Sales	153,556	147,350
Trading profit	15,656	17,405
Interest	4,082	3,900
Depreciation	3,218	2,970
Profit before tax	8,368	9,835
Tax	3,589	3,305
Profit after tax	4,779	6,530
Minority	2,217	2,217
Attributable	2,562	4,313
Dividends	2,457	2,226
Retained	1,105	2,087

Volume was broadly maintained over the year at CompAir, but the cost of squeezing trading margins from 11.9 to 10.2 per cent. The group was hit by a series of strikes and with a two-thirds of output sold abroad was particularly susceptible to the strength of sterling.

Construction equipment was worst hit, due to vigorous price competition in local markets. The company is currently finding less resistance to price rises as it is also looking to prune labour and bought-in component costs to rebuild margins this year. The market had expected a rapid recovery in the second half. The company's price rises are a fully-taxed 4p to 6p to stand a yield of 11.5 per cent.

**Arthur Lee forges ahead in second half**

**AFTER BEING** hit hard by lower at £1.51m against £1.96m but investment income was higher and there was a share associates profit of £83,343 the time compared with a loss of £20,000 in the second half. The trading profit was £602,650 (£746,000), the reduction arising from up-dating the method of calculation.

After a tax credit of £667,500 net of a release of £1.59m from deferred tax—£704,283 charge and heavier minority interest attributable balance come through at £2.23m against £1.15m. This gives earnings per share up from 4.56p to 8.62p.

The dividend is being raised from 1.54p to 1.88p, with a final of 1.25p.

In the current year demand has been depressed by the after effects of the engineers' strike and the de-stocking policy being followed by some customers in the light of current high interest rates. However, the directors anticipate that after this period of adjustment some recovery in demand will occur.

The year's trading profit was

1978-79 1977-78

Turnover	67,450,000	63,415,000
Trading profit	1,810,362	1,832,900
Investment income	54,333	25,700
Share of associated	85,343	101,200
Profit before tax	1,950,038	1,960,000
Tax credits	667,500	704,283
Net profit	1,282,538	1,255,717
Minority	198,420	34,700
Attributable	1,084,118	1,221,017
Prof. dividends	1,148,300	1,148,300
Ord. dividends	523,884	477,300
Forward	1,901,797	1,625,300

The year's trading profit was

1979 1978

Group Turnover	£21.283m	£18.835m
Group Trading Profit	£1.938m	£1.621m
Earnings per Ordinary Share	14.0p	12.7p
Ordinary Dividend	4.7p	3.8987p

"With increases of 13% in Sales and 19.6% in Trading profit we have had a year of steady progress, against a background of declining demand."

In common with other companies in the Engineering Industry, most of our work force was involved in the engineers' national dispute, and overtime bans and strikes have had their inevitable effect upon the first two months of the current year.

Meanwhile, our order books remain steady and we continue to seek new markets and opportunities at home and overseas."

Peter Lake, Chairman

Copies of the Report and Accounts are available from the Secretary, City Gate House, 39/45 Finsbury Square, London EC2.

**Lake & Elliot, Ltd.**  
HIGH INTEGRITY STEEL CASTINGS,  
INDUSTRIAL & MARINE VALVES  
AND HYDRAULIC EQUIPMENT

EXTRACTS FROM THE REPORT AND ACCOUNTS FOR THE YEAR ENDED 31st July, 1978

1979 1978

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All of these securities having been sold, this announcement appears as a matter of record only.

### NEW ISSUE

\$500,000,000

# Southern Bell Telephone and Telegraph Company

Forty Year 10.90% Debentures, due December 1, 2019

Merrill Lynch White Weld Capital Markets Group

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Morgan Stanley & Co.

Incorporated

Salomon Brothers

Goldman, Sachs & Co.

The First Boston Corporation

Bache Halsey Stuart Shields

Incorporated

Bear, Stearns & Co.

Blyth Eastman Dillon & Co.

Incorporated

Dillon, Read & Co. Inc.

Donaldson, Lufkin & Jenrette

Securities Corporation

Drexel Burnham Lambert

Incorporated

E. F. Hutton & Company Inc.

Kidder, Peabody & Co.

Incorporated

Lazard Frères & Co.

Lehman Brothers Kuhn Loeb

Incorporated

Paine, Webber, Jackson & Curtis

Incorporated

L. F. Rothschild, Unterberg, Towbin

Shearson Hayden Stone Inc.

Smith Barney, Harris Upham & Co.

Incorporated

Warburg Paribas Becker

A. G. Becker

Wertheim & Co., Inc.

Dean Witter Reynolds Inc.

Alex. Brown & Sons

The Robinson-Humphrey Company, Inc.

Thomson McKimmon Securities Inc.

ABD Securities Corporation

Allen & Company

Incorporated

A. E. Ames & Co.

Incorporated

Atlantic Capital

Corporation

Robert W. Baird & Co.

Incorporated

Basle Securities Corporation

Bateman Eichler, Hill Richards

Incorporated

William Blair & Company

Dain Bosworth

Incorporated

Daiwa Securities America Inc.

Dominion Securities Inc.

F. Eberstadt & Co., Inc.

A. G. Edwards & Sons, Inc.

Eppler, Guerin & Turner, Inc.

EuroPartners Securities Corporation

Robert Fleming Kleinwort, Benson

Incorporated

Ladenburg, Thalmann & Co. Inc.

McDonald & Company

McLeod Young Weir Incorporated

Moseley, Hallgarten, Estabrook & Weeden Inc.

New Court Securities Corporation

The Nikko Securities Co.

International, Inc.

Nomura Securities International, Inc.

Oppenheimer & Co., Inc.

Piper, Jaffray & Hopwood

Incorporated

Wm. E. Pollock & Co., Inc.

Prescott, Ball & Turben

Rotan Mosie Inc.

Scandinavian Securities Corporation

Stuart Brothers

Tucker, Anthony & R. L. Day, Inc.

Ultrafin International Corporation

Wheat, First Securities, Inc.

Wood Gundy Incorporated

Yamaichi International (America), Inc.



### INTERIM STATEMENT

Unaudited results of the Group for the 27 weeks ended 2nd November, 1979, are announced as follows:—

	Half year 1979	Half year 1978
Sales	18,467	20,000
of which direct exports	2,633	2,646
Trading Profit	1,272	1,572
depreciation	52	505
Interest	101	218
Profit before taxation	618	949
provision for taxation	312	502
preference dividends	59	14
Available for ordinary dividends	247	433
Interim ordinary dividends	89	89

An interim ordinary dividend of 0.5p per share (1978 0.5p) is declared payable on 31st January, 1980, to shareholders on the register on 10th January, 1980.



Companies and Markets

UK COMPANY NEWS

BIDS AND DEALS
Harvey Nichols not to be sold despite £25m offers

BY CHRISTINE MOIR

Debenhams has decided not to sell its Harvey Nichols department store despite at least two serious offers for it in the £25m range.

Mr. Kenneth Bishop, the managing director of Debenhams, said yesterday that the money was attractive but short-term considerations could not be allowed to take over.

Debenhams had looked at proposals to redevelop the 125,000-sq-ft freehold store—one from Taylor Woodrow—which would have included a smaller unit for Harvey Nichols. But trading would have had to cease for at least two years and this would have made it difficult, if not impossible, to pick up again.

Instead the offers had made the company realise the worth of the property; in addition to a £25m price tag, some £10m more would need to have been spent on internal redevelopment with accompanying finance costs of perhaps £5m.

"If a developer thought he could make a return on the store at that price, then we were determined to make a return on Harvey Nichols as it is," Mr. Bishop said. Debenhams has spent some £5m on developing the Harvey Nichols business over the past three or four years and although it is not yet contributing much to group profits there are hopes of a significant contribution next year.

Further development is planned. Some of the management has been changed and the intention is to widen the range of middle price items so as to encourage domestic customers in place of the now elusive wealthy Middle Eastern and American buyers.

Mr. Bishop denied that the decision to hold on to Harvey Nichols was as a gesture to reassure the market over the health of the group which has sold a number of subsidiaries in recent months.

He pointed out that gearing in the last balance sheet amounted to only 30 per cent and was expected to be even lower this year.

Butterfield-Harvey dives £1.45m at interim stage

WITH THE engineering dispute estimated to have cost the group well in excess of £10m, pre-tax profits of Butterfield-Harvey dived from £1.56m to £111,000 in the six months to September 30, 1979.

By July output and profitability had recovered to expected levels, after being affected by last winter's industrial disruption. However, the engineer's strike cause further disruption.

The directors report that this continued into the third quarter, with the reduction in public authority spending aggravating difficulties. But on present knowledge there will be a marked improvement in the final quarter of the year leading, in the opinion, to a resumption of an upward trend. For the last year the pre-tax surplus totalled £2.76m.

First half turnover was little changed at £27.14m (£27.09m) and profits were struck after interest of £115,000 (£206,000) and associated profits of £41,000 (£120,000). Tax took £26,000, against £258,000, and earnings per share fell to 0.8p (8.7p). The net interim dividend is held at 1.3p. Last year's final payment was 1.5p.

There were extraordinary dividends of £214,000 (£210,000) and an attributable loss of £129,000 compared with a profit of £126m, which was after minority profit of £7,000. Extraordinary items include

the continuing costs of re-organisation at Beldry and Greenwich. Negotiations are at an advanced state for the sale of a further area of the Greenwich site for redevelopment (the existing operations to be housed in new leased buildings) the surplus on which is expected to exceed the extraordinary costs of the first half.

Table with 3 columns: 1979, 1978, 1977-78. Rows include External sales, Trading profit, Share assoc., Profit before tax, Tax, Net profit, Extraord. items, Attrib. loss.

comment The news from Butterfield-Harvey is very poor. The problems of the recent engineering dispute and the after-effects of last winter's industrial problems made for a 93 per cent plunge in pre-tax profits. At the attributable level, the group is in the red. Public authority spending cuts have also hurt business, particularly in the Swintex rubber mouldings field. Meantime the interest charge has doubled as the group continues its capital expenditure programme. The group was pushed into the red by an extraordinary item of £214,000, a result of the reorganisation of the housewares division and the cost

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are in the form of cash and the sub-divisions shown below are based mainly on last year's practice.

Table with 2 columns: Company Name, Date. Includes Interim - Bathwater, Distillers, G. M. Frim, Haslemere Estates, etc.

FUTURE DATES

Table with 2 columns: Company Name, Date. Includes Interim - Brownie, Dec. 19; Copper Industries, Dec. 19; Norton and Wright, Dec. 20; Sobranie, Dec. 14; Stead and Simpson, Jan. 8.

35% increase lifts Safeway to £9.9m

TAXABLE PROFITS of Safeway Food Stores, the UK division of Safeway Stores Inc., advanced 35.2 per cent from £7.3m to £9.9m in the year to September 29, 1979. Sales rose £50m to £259m, an increase of 23.7 per cent.

Pre-tax profit margins improved from 3.5 per cent to 3.8 per cent. Mr. Terry Spratt, chairman, says the increase illustrates the start of a new superstore development programme which involves the construction of 45 superstores and major extensions to central warehousing costing £100m over a five-year period.

The company has opened seven of these large units to date, bringing the total number of stores operating in the UK to 89. The chairman is very optimistic about the future and is confident that the present rate of growth will be maintained into the 1980s.

Bonuses up at Scottish Amicable The company's flexible endowment plan - Flexidowment - which was launched only a couple of years ago, does not yet qualify for terminal bonus in respect of death claims.

Scottish Amicable is making these improvements to pass on the immediate benefit of higher dividends on its equity portfolio, rather than wait until the next reversionary bonus declaration due to be made for the three years ending December 31, 1980.

a rate of £1.30 per cent of the sum assured and attaching bonuses for each complete policy year except the first two years. The previous rate was £1 per cent for each year except the first five. This rate applies to with-profits life and endowment contracts, and individual deferred annuities other than Flexipensions.

Therefore, for a policy taken out in January, 1970, for a sum assured of £10,000 the terminal bonus on the new scale will be £1,542 against £741 on the old rate. The maturity value will be £16,371 compared with £15,570 - a rise of 5 per cent.

For the company's new style personal pension contract - Flexipension - a terminal bonus is being paid for the first time when the contract vests and the pension becomes payable. Its rate will be 25 per cent of all attaching bonuses, including interim bonus. This rate will also apply to participating super-annuation assurances (second series).

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Money broker stake in Godsell

Astley and Pearce Group, one of the top two international money brokers, is to buy a stake in Godsell Group, another broker, in a deal thought to value Godsell at £23m to £3m.

The agreement reflects the pressure on the money broking business. Commission rates have been cut back in recent years and capital investment has been needed to set up overseas branches. Next year British banks will start dealing directly with each other in foreign exchange. This is expected to hit the UK broking market.

In October, Mercantile House, the other top money broker, bought Woellworth and Company for £1.75m. And before that, Harlow Meyer bought Savage and Heath.

Astley and Pearce is not buying Godsell outright. The staff of Godsell will have a third and Astley and Pearce will share the rest with St. Mary Axe, a partly owned subsidiary of British and Commonwealth Shipping which has backed Astley before.

Astley and Pearce will each own from the strengths of the other, said Mr. John Gunn, managing director of Astley. "They are very good on Eurodollar deposits and Euro-currency deposits and certain foreign exchange," said Mr. Gunn. "We can offer an international network of offices."

Marlow House Group is understood to be selling the Godsell broking activities to concentrate on trading as a principal in the money markets.

WM. LOW Wm. Low and Co., Scottish supermarket group, has

purchased Hoto, which operates five freezer centres in central Scotland and a frozen food distribution depot.

The Hoto centres—in Falkirk, Bathgate, Whitburn, Stirling and Motherwell—will all be absorbed within the company's Lowfreeze division, giving it 18 freezer centres in all.

HALL STEAMSHIP BID UNCONDITIONAL Temple Finance and Investment's £365,000 bid for Hall Brothers Steamship has been accepted by holders of 83.5 per cent of the ordinary shares and the offer has now gone unconditional.

Temple, controlled from Guernsey by Mr. Allan Ferguson and his wife, has also gained control of 48.2 per cent of the non-voting "A" shares and 80.9 per cent of the non-cumulative participating preference shares.

Still holding out, however, is Shirlstar Container Transport which owns 10.4 per cent of Hall and regards the 70p a share cash offer as too low. Mr. Ben Slade, one of the owners of Shirlstar, has said that the company intends to stay a minority shareholder in the reconstructed company.

A decision is likely to be taken today on whether the new owners of Hall will go ahead with the opportunity mentioned in the formal offer document, to buy 7.8 per cent of the shares in Rand London Corporation, a South African listed mining and investment company, at 89p each. Hall, which reported sharply

higher losses for its last financial year and was planning to go into liquidation before the bid, has had its Stock Exchange quotation suspended as a result of the success of Temple's offer.

ALEXANDERS HLDGS. Alexanders Holdings has sold surplus freehold property at Bridge Street, Northampton for £285,000.

Caplan assets overstated by £1m says Pentos

BY JOHN MOORE

Pentos, the group with interests ranging from leisure and garden products to construction, has discovered that assets have been overstated in the accounts of Caplan Profile, one of its recent acquisitions, by £850,000. On the stockmarket Pentos shares fell 2p to 57p.

Mr. Reginald Harris, formerly the finance director of Caplan, has been relieved of all his executive and other functions within the Caplan Group and, according to Pentos, "a sum of approximately £50,000, has been received from him in respect of the matters" referred to.

In a statement issued yesterday, Pentos's chairman, Mr. Terry Maher, says the offer of £7m for Caplan, which was made in July, was made "on the information supplied to Pentos by the Board of Caplan and verified by Caplan's professional advisers," merchant bankers

Singer and Friedlander and auditors, Malvern and Co. "the most important items of which were the Caplan accounts for the year ending August 31, 1978 and supporting information and a formal forecast of pre-tax profits for the year ending August 31, 1979, of not less than £1.4m."

"It is not apparent that the stock figures over several years were not accurately prepared resulting in serious overstatements of assets in the Caplan accounts going back at least to the year ending August 31, 1977, resulting in turn in overstatements of the assets in the accounts for the year ending August 31, 1978, totalling approximately £850,000."

He adds that these irregularities have also materially affected the profits of Caplan for the years in question. As an entirely separate matter, it has also become apparent that, as a result of understatement of the overheads, the pre-tax profits for the year ending August 31, 1979, will prove to be about £1m compared with the forecast of £1.4m.

Further investigations are being made by Pentos and further information will be given when Pentos results for the year ending December 31, 1979, are announced.

Mr. Ian Caplan, who has emphatically denied any personal knowledge or responsibility, or legal liability in respect of these matters on behalf of himself and his family, has offered his resignation as a director of Pentos and of Caplan and its subsidiaries, and "that resignation has been accepted with regret by the boards of both companies."

Agreement has been reached between Pentos and Mr. Caplan and his family by which Mr. Caplan and his family will pay to Pentos not less than £700,000 in respect of the asset shortfall by way of adjustment, and it is expected that final agreement will be reached in the next few days.

Pentos has instructed its solicitors to advise in detail on the prospects of recovery in respect of the 1979 profits shortfall as regards the other persons concerned and it is likely that proceedings will, if necessary, be issued shortly against some or all concerned.

CONCENTRIC/SAMUEL GROVES TALKS OFF Discussions on the possible acquisition by Concentric of Samuel Groves and Co., announced on December 3, have been terminated.

DRG SELLS REDCLIFFE INKS Redcliffe Inks has been sold by the Dickinson Robinson Group to Aull and Wiborg Group.

Sun Chemical, the world's largest manufacturer of printing ink, has a 46 per cent interest in Aull and Wiborg. Redcliffe will operate as a fully autonomous unit with direct links to Sun Chemical. The sale takes effect from December 31.

Redcliffe, employing more than 100 people at Yate, near Bristol and ten more at a distribution depot at Skelmersdale, specialises in inks for the packaging industry, particularly for high quality gravure and flexographic printing.

DAVID EVANS £1.7M PROPERTY SURPLUS A freehold property revaluation at David Evans, the privately-owned textile company for which Sekers International is bidding £1.6m, has produced a surplus of £1.67m over book values. Open market value on a current rise basis is put at £1.95m at November 1.

Sekers' formal offer document says that this gives a net tangible asset figure of £3.5m for David Evans compared with a book value of £1.84m at its latest March 31 year-end. The offer has already been accepted by holders of around 66 per cent of the David Evans shares.



Union Corporation Group Gold Mines

Points made in the Statements by the Chairmen Mr. E. Pavitt and Mr. L. W. P. van den Bosch

- \* A year of record breaking activity in the gold market.
\* Ore reserves up on higher gold price.
\* Increases in working costs kept below average.
\* Improved efficiency with more experienced work force.
\* Equal employment opportunities for all races now vitally necessary.

Results for the year ended 30th September 1979 (compared with results for previous year)

Table with 6 columns: Name of Company, Tons Milled, Gold Produced, Net Profit, Dividends, Ore Reserves. Rows include Bracken, Kinross, Leslie, St. Helena, Unisel, Winkelhaak.

Ore reserves are those calculated at a gold price of R7,500 per kilogram (US\$280 per ounce) for 1979; R5,500 per kilogram (US\$200 per ounce) for 1978.

Bracken Mines Limited

Development in the endorsed prospecting area on the farm Witkleifontein has been accelerated. To the east, Kinross Mines Limited has developed an area on behalf of the Company. Values exposed have been encouraging and stopping operations will now be put in hand.

Kinross Mines Limited

A considerable portion of the development took place in the No. 2 shaft area where values have so far proved to be higher than in the blocks presently being mined from the No. 1 shaft complex. Stopping in the No. 2 shaft area commenced recently and it is anticipated that in the coming year there will be a steady increase in production from this area and a concomitant reduction in operations in the southern section of the mine.

Leslie Gold Mines Limited

In the coming year further reductions in yield can be expected in line with the lower grade ore which can now be mined in terms of the lease agreement. The higher gold price has made it possible to re-enter previously unpayable areas and re-equipping of these areas is being carried out.

Winkelhaak Mines Limited

Initial development values in the north-east have been most encouraging and further exploratory work will be undertaken in this area. Construction has commenced on a surface chilled water refrigeration system at No. 5 shaft which will improve environmental conditions in the deeper portion of the northern section of the mine.

St. Helena Gold Mines Limited

Development was again mainly confined to the No. 8 shaft area and particularly towards the Ongegund boundary. The Basal and Leader reef have been intersected and some encouraging values have been exposed.

Unisel Gold Mines Limited

Progress has been most satisfactory and the mine officially opened on 2 October 1979. Stopping in the pre-production phase has yielded gold to the value of some R7 million. Total capital expenditure to 30 September 1979 amounted to R78 million.

Winkelhaak Mines Limited

Construction has commenced on a surface chilled water refrigeration system at No. 5 shaft which will improve environmental conditions in the deeper portion of the northern section of the mine.

Redfearn National Glass

Table with 3 columns: 1979, 1978, 1977. Rows include Sales, Trading Profit, Interest payable (net), Profit before tax, Retained Profit, Dividend per share, Earnings per ordinary share.

Mr. John Pratt, Chairman, reports: "Profits for the year ended 30 September amounted to £3,300,000. This is a reduction of £600,000 compared with the previous year's figure."

It will be apparent to shareholders that, after the trading results of the first half, recovery in the second half of the year was rapid and largely successful.

Last year I said that the level of capital expenditure for 1978/79 would be substantially lower and the actual total for the year was £3.7m. Despite the difficulties created by the road haulage strike - and the state of competition - there has been a net cash inflow during the year.

Despite present economic uncertainties, we have great confidence in glass as a packaging medium. Results for the full year 1979/80 are likely to be comparable with those of 1978/79."

The Directors recommend that a final ordinary dividend of 11.27p per share be paid for the year ended 30 September 1979, making a total of 16.55p per share for the year. This compares with 15.84p per share in respect of 1978 and, with the addition of the associated tax credit, maintains the gross dividend at the same rate as last year.

The Annual Report will be posted to shareholders on 15 January 1980 and the Annual General Meeting will be held at the Royal Station Hotel, York at 12 noon on Wednesday 13 February 1980.

REDFEARN NATIONAL GLASS, FISHERGATE, YORK, YO1 4AD.

NORTH ATLANTIC SECURITIES CORPORATION LIMITED

Table with 4 columns: Year ended 30th September, Gross Revenue, Ordinary Share Dividend Paid Per Share (net), Gross Assets (less current Liabilities), Net Asset Value. Rows for 1970, 1978, 1979.

Distribution of Assets U.K. 67.1% North America 23.9% Pacific Basin 9.9% The policy of the Directors continues to be to invest the Company's funds with a view to potential capital growth. To meet this objective it remains the intention to concentrate on high quality shares in a geographically diversified portfolio and, in particular, to seek an appropriate representation in the newer and emerging technologies.

It is anticipated that the dividend at the increased annual rate of 3.75p per share will be maintained in the current year. Copies of the Annual Report and Accounts are available from the Company's Office, Bucklersbury House, 3 Queen Victoria Street, London, EC4N 8BQ.

Copies of the full reports of the companies (each of which is incorporated in the Republic of South Africa) for the year ended 30th September 1979, are available from the London Secretaries, Union Corporation (U.K.) Limited (Ref E/O), 95 Gresham Street, London EC2V 7BS.







Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

FCC close to decision on international services

BY STEWART FLEMING IN NEW YORK

IN A MAJOR step towards the further deregulation of the U.S. telecommunications industry, the Federal Communications Commission (FCC) was yesterday examining whether to permit American Telephone and Telegraph Company (AT and T) to offer telex and facsimile transmission services over its existing international telephone lines.

Four companies and open up the market to international competition. Observers expect the FCC to follow this recommendation, a move which would almost certainly bring Western Union International and American Telephone and Telegraph into the international market for non-voice services. AT and T has had an effective monopoly in the domestic U.S. telephone market for voice services although over the past decade, FCC decisions have steadily permitted increasing competition in its market.

Evidence of the growing commitment of several major companies to the telecommunications market, including giants like International Business Machines, has been evident in the past few years. Only this week Xerox, best known for its office copier products, announced the formation of what it calls its "ethernet" communications network which will eventually permit text processing and printing equipment in offices in different cities to be linked.

3M optimistic on U.S. recession

ST. PAUL — Minnesota Mining and Manufacturing, commonly known as 3M, and which had two years of earnings declines in the 1974-75 recession, is more optimistic about its prospects if there is a recession next year, according to Mr. Lewis W. Lehr, vice-chairman and chief executive. Although Mr. Lehr declined to make a forecast for next year he said: "We don't think it's going to be like 1974-75." Similarly, he would not predict earnings for the 1979 fourth quarter, but emphasized that the company has not been affected much yet by a slowdown in the economy.

adding that there was not a "product" group that did not look good today. In the 1978 fourth quarter, 3M, which is a diversified manufacturer, had a net income of \$147.2m or \$1.26 a share on sales of \$1.19bn. For the whole of last year earnings were \$563m or \$4.83 a share on sales of \$4.66bn. In the first nine months of 1979 the company had a 16.5 per cent increase in net income on a 17.2 per cent rise in sales over the same period of 1978.

DM was hit hard by the last recession and price constraints have put pressure on pre-tax margins this year, but Mr. Lehr said that a healthy economy overseas and a milder downturn in the U.S. should combine to make any recession next year less severe than that of 1974-75. Pressure on pre-tax profit margins caused by compliance with federal price guidelines should ease somewhat next year. Under the guidelines 3M will be able to raise its prices by about 4 per cent in 1980 compared with slightly under 3 per cent in 1979. Through the first nine months of 1979 the company's pre-tax profit margin slipped to 21.7 per cent from 22.4 per cent for all of 1978. AP-DJ

FT. INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns: U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, JEN STRAIGHTS. Includes bond names, issued dates, bid/offer prices, and yields.

Table with columns: OTHER STRAIGHTS, CONVERTIBLE BONDS, FLOATING RATE, NOTES. Includes bond names, issued dates, bid/offer prices, and yields.

Hong Kong bank faces new snag in Marine bid

By Our New York Correspondent

A NEW CHALLENGE to Hongkong and Shanghai Banking Corporation's acquisition of control of the 13th largest U.S. bank, Marine Midland, has emerged in Washington. Mr. Benjamin Rosenthal, a New York congressman, has written to the Federal Reserve Board and to the Comptroller of the Currency, asking the FED to reconsider its decision to grant approval of the Hong Kong bank's acquisition of control of Marine Midland.

INTERNATIONAL CAPITAL MARKETS

French court rejects Iran plea to free Citibank funds

BY OUR FINANCIAL STAFF

THE FRENCH Civil Court yesterday refused to order the Paris branch of Citibank to release Iranian funds frozen by President Carter on the grounds that they were on time deposit. court officials said. Bank Markazi, the Iranian central bank, sought the release of \$50m on deposit with Citibank.

press in Dusseldorf, stressed that such a crisis would be the "biggest triumph" of the Ayatollah Khomeini. Dr. Guth was careful to avoid specific criticism of either the U.S. administration or U.S. banks on their stand so far on Iran. However, his words were widely interpreted as an appeal for a further measured response by the U.S. and its allies to the Tehran embassy hostages, with the accent on diplomatic pressure rather than on the imposition of a trade embargo or even military action.

by the U.S. bank's determination to safeguard its own claims on Iran. It had not been an effort to draw West Germany more closely into the dispute between Washington and Tehran. The Iranian Government has now carried out its intention to appeal to the Swiss Federal Court against a decision refusing it access to information held regarding the Shah's St. Moritz villa. Last month Canton Grisons upheld a local land registry judgment that no information should be divulged other than the statutory land-holding agreement. Iranian legal representatives claim that documentation on the villa is a prerequisite for future legal proceedings in Switzerland in connection with the Shah's Swiss assets. The appeal to the Federal Court is part of the steps which Iran is to take following the refusal by the Swiss Government last March to block Swiss assets of the Shah and his family.

First-ever Eurobond in Norwegian currency

By Francis Ghiles

THE FIRST-EVER Eurobond denominated in Norwegian kroner was launched yesterday for Nordic Investment Bank through a group of international banks headed by Den Norske Credit Bank. The borrower is paying a 10 per cent coupon for a Nkr60m (\$12m) five-year bullet issue. In the dollar sector of the market, prices of straight issues saw-sawed with the currency rate. They fell sharply in the morning in reaction to the weakness displayed late on Tuesday in the New York market and the weakness of the U.S. currency. However, they later recovered some of the earlier losses as the dollar recovered on exchange markets. Losses ranged to half a point on the day. The recently-completed \$125m floating rate note for Midland International Services started trading yesterday and was well received in the secondary market. It was quoted by the lead manager, S. Montagu, at 99.1-99.4.

Wickes buys Gamble-Skogmo

BY OUR FINANCIAL STAFF

THE BOARD of Gamble-Skogmo, the mail order group, and that of Wickes Corporation, have reached an agreement in principle for Wickes to acquire Gamble for debentures and non-convertible preferred stock with an aggregate market value of \$200m, worth about \$45 a share, based on Gamble's current capitalisation. The terms call for a new holding company to be established to serve as parent for both companies. Wickes shareholders would receive common of the new Wickes holding company for their current Wickes shares.

For the current year, earnings of \$3.35 a share have been predicted. Growth in the home improvement division is regarded as a bull point for both the immediate and longer-term future. Gamble-Skogmo, based in Minneapolis, earned \$23.2m or \$5.47 a share last year, with general retail merchandising turning in 24 per cent of profits. catalogue operations earned \$3.4m or \$3.14 a share in 1978-79 on sales of \$1.9bn.

A \$20m issue with a five-year bullet maturity has been completed for Aquitaine of Canada, the subsidiary of the state French oil company, Societe Generale is leading this issue which has been fully underwritten. The borrower is paying a coupon of 11 per cent and the bonds, which have been priced at par, can be called at 100 after three years and at 100.1 after four. Prices in the Deutsche-Mark sector eased a fraction on the day in thin trading. A DM 150m public offering for the European Coal and Steel Community was launched through the Deutsche Bank. This issue, which has a maturity of 10 years, bears an indicated coupon of 7.1 per cent. The two issues for the World Bank being arranged by Deutsche Bank—a DM 250m 11-year public offering with a coupon of 7.1 per cent and a DM 100m private placement on identical terms—have both been priced at par. This leaves the amount of DM foreign bonds on offer today at DM 425m. Meanwhile, IBM France is offering FFR 120m worth of five-year notes through a group of banks led by Banque Nationale de Paris. The borrower is paying a coupon of 11 per cent and the issue, which has been fully underwritten, has been priced at 99.1 to yield 12.014 per cent. Prices of French franc Eurobonds have showed little change during the past week and trading remains extremely thin.

Warner and Swasey gets rival offer worth \$240m

BY OUR NEW YORK CORRESPONDENT

IN AN effort to escape the clutches of Montreal-based Dominion Bridge Company, Warner and Swasey, a leading U.S. manufacturer of machine tools, has reached agreement on a takeover offer from Bendix Corporation probably worth in excess of \$240m. Bendix, which supplies brakes and spark plugs to the car industry and equipment to the aerospace and construction industries, is offering \$70 a share for 1.6m of Warner's 3.94m common shares. In addition, at least 51 per cent of the machine toolmaker's stock will be converted into Bendix convertible preferred stock following completion of the cash tender offer. This compares with the \$57 a share cash offer proposed by Dominion Bridge, an offer Warner has resisted and deemed to be inadequate. Bendix reported revenues of \$3.8bn in its fiscal year ended September 30; net income was \$162m.

Food unit sold off by Colgate

By Our Financial Staff

COLGATE-PALMOLIVE said its subsidiary Riviana Foods has agreed to sell its Kasher food company Hebrew National Foods to I.P. Enterprises for an undisclosed amount. Colgate-Palmolive said the sale of Hebrew National which accounted for \$54m out of Colgate-Palmolive's \$4.3bn in sales in 1978, would not have a "material effect" on Colgate's financial results.

ITT row on compensation for Geneen

By Ian Hargreaves in New York

A LATE twist in a three-year old boardroom battle at International Telephone and Telegraph was taking place yesterday as the Corporation's Board met to consider severance terms for Mr. Harold Geneen, who has run ITT for almost 20 years. Mr. Geneen announced a few weeks ago that he would step down as chairman at the end of this year, making way for Mr. Rano Araszkow who emerged as Mr. Geneen's number two after the sack in July of Mr. Lyman Hamilton, ITT's chief executive.

Gain forecast by General Electric

NEW YORK—General Electric reports that estimates of earnings between \$6.10 and \$6.20 a share for this year, are in line with company expectations. The company in 1978 earned \$3.20 on sales of \$18.65bn. Total revenues for the period were \$20.07bn. Mr. R. H. Jones, the chairman, noted that the company's 1979 annual report will include inflation-adjusted supplementary data required by the Financial Accounting Standards Board. The company has used LIFO inventory accounting for 25 years. Reuter

G and W sees 'flat' year


PHOENIX—Gulf and Western Industries (G and W) expects earnings for the year to July 31 to be "relatively flat" compared with the \$22m or \$3.35 a share reported for fiscal 1979. Mr. D. N. Judelson, its president, told the annual meeting. The company did not expect its Paramount Pictures subsidiary or its financial services operations to exceed the fiscal 1979 results but he predicted that the motion picture Star Trek "will be an outstanding success for us," he said. AP-DJ

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13th December, 1979.  
By: Citibank, N.A., London,  
Agent Bank

**CITIBANK**

Weekly net asset value  
on December 10 1979

**Tokyo Pacific Holdings N.V.**  
U.S. \$65.58

**Tokyo Pacific Holdings (Seaboard) N.V.**  
U.S. \$47.78

Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson HV Haringracht 214,  
Amsterdam.

**VONTOBEL EUROBOND INDICES**  
143.74 = 100%

PRICE INDEX	11 12 79	AVERAGE YIELD	11 12 79	4 12 79
10% Bonds	97.29	DZ Bonds	7.90	7.875
HFI Bonds & Notes	84.54	HFI Bonds & Notes	9.42	9.373
U.S. \$ Int. Bonds	88.17	U.S. \$ Int. Bonds	10.77	10.562
U.S. Dollar Bonds	85.54	U.S. Dollar Bonds	11.84	12.034

**INTERNATIONAL COMPANIES and FINANCE**

**Veba steps up capital spending programme**

By Jonathan Carr in Bonn

VEBA, the West German group active in all energy-related sectors, is to invest DM 15bn (\$8.6bn) between 1980 and the end of 1984—an increase of almost DM 5bn over the sum spent in the previous five-year period.

The new investment plans, approved yesterday by the supervisory board, put the chief accent on expenditure in the electricity sector, followed by oil and chemicals.

The investment rise reflects the expansion plans of an enterprise which is the country's biggest in turnover terms and which has sharply increased profitability this year.

It also underlines West Germany's urgent need to develop its energy resources as a nation highly dependent on imported fuel and raw materials, and with a relatively high economic growth rate forecast for the 1980s. Veba is 43 per cent owned by the Federal Government and is one key instrument through which the state can hope to see its energy aims realised.

Veba has about a 15 per cent market share of West Germany's electricity sales—and this sector has been the cornerstone of the group's profitability. Total Veba net profits in the first nine months of this year more than doubled to DM 298m compared with DM 114m in the same period of 1978.

**WEST GERMAN ENGINEERING**

**M.A.N. forecasts sales improvement**

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN truck and bus manufacturer and engineering group, M.A.N., is expecting sales to increase by more than 10 per cent in the current year ending June 1980. Demand is running at a high level particularly for trucks and buses, large diesel engines, and printing machinery.

A new range of 8-9 ton trucks, developed jointly with Volkswagen, was introduced to the market in the autumn, and orders for large marine diesel engines is picking up as a result of the start of the long-awaited recovery of activity in the shipbuilding industry.

The group is still facing problems in its energy division, however, because of the total absence of new power station orders. Herr Otto Voisard, chairman of the executive board, warned that M.A.N. would be forced to withdraw from the nuclear industry—it is the only

German company with the capability to manufacture certain heavy reactor components, pressure vessels and steam generators—if no new orders were received by the end of 1979.

A number of German nuclear power station projects are facing severe delays as a result of determined political and environmental opposition.

In addition M.A.N. is suffering from a serious lack of skilled workers in several of its manufacturing activities. It is presently trying to fill more than 100 vacancies and it has also found it impossible to fill all the apprentice and training posts offered.

New orders received by the company in the first four months of the current year have shown a sharp increase, rising by 24 per cent from DM 1.16bn to DM 1.45bn (\$835m). The main impetus

has come from the domestic market with the value of new orders rising by 35 per cent, compared with only a 9 per cent rise in export orders.

In contrast to last year, the value of new orders is running ahead of total finished sales, which reached DM 1.12bn (\$576m) in the four months to the end of October compared with DM 1.15bn in the same period last year.

Sales for the total MAN group are expected to rise to DM 7.7bn DM 7.8bn in the current year compared with DM 7.1bn in 1978, said Dr. Gerd Wollburg, deputy chairman of the executive board. But there was unlikely to be any improvement on last year's profit performance, which showed a net income of DM 70m. Dr. Wollburg refused to give any dividend forecast for the current year. Last year MAN paid an unchanged dividend of DM 7 per DM 50 share.

Following the breakdown earlier this year of talks on a merger with White Motor of the U.S. for the manufacture of diesel trucks, MAN is pursuing other co-operative ventures in the U.S.

Herr Voisard said that the company was in negotiation with a number of U.S. companies in the search for a co-operative venture to manufacture buses. Earlier co-operation with a subsidiary of American Motors (AMC)—about 410 MAN articulated buses were fitted out in the U.S.—came to an end with AMC's withdrawal from the bus market.

Existing MAN companies in North America are pursuing the group's interests in printing machinery, steel construction and mechanical engineering, but the company has no new schemes for starting truck manufacture—MAN's dominant activity—in the U.S.

**Saab-Scania doubles ten-month earnings**

By Victor Kuylenstierna in Stockholm

SAAB-SCANIA, the Swedish truck, car and aircraft group, has more than doubled its ten-month earnings after extraordinary items from Skr 200m to Skr 654m (\$152m) in the first 10 months of 1979. For 1979 as a whole a figure of about Skr 600m (\$111m) is expected up from Skr 465m in 1978.

Turnover in January-October was up 15 per cent to Skr 10.75bn and Saab-Scania predicts 1979 sales of about Skr 13.5bn (\$3,220m) or 26 per cent above last year's Skr 11.64bn. This is consistent with the forecast two months ago that sales growth would slow.

Ten-month sales in markets outside Sweden rose from 43.4 per cent of total sales to 55 per cent of total sales. Quantity climbed by Skr 200m during January-October, and stood at Skr 1,400m at the end of the period. Investment during 1979 as a whole will drop from Skr 562m to about Skr 500m.

In January-August, the number of Scania buses and trucks sold was 23 per cent higher and the number of Saab cars sold 15 per cent higher.

**Profits upturn at Metallgesellschaft**

BY GUY HAWTIN IN FRANKFURT

METALLGESELLSCHAFT (MG), the Frankfurt-based metals, engineering and transport major, substantially improved its profits in the year ended September 30. Shareholders, however, can expect an unchanged 8 per cent dividend: the group is setting aside "substantial" reserves for the restructuring of the loss-making metal processing sector.

Herr Karl Gustaf Ratjen, MG's chief executive, gave no figures for the improvement in earnings. But he described the increase as "not insubstantial."

During 1977-78 the group's earnings dropped from DM 41m to DM 24m (\$13.8m). At the same time the dividend, which had remained at 10 per cent or DM 5 per DM 50 nominal share—was cut back to DM 4 per share.

The profits increase has come about as a result of an upturn in a number of important sectors which were heavily depressed in 1977-78. Herr Ratjen said that operating losses had been considerably reduced in the metals processing sector, while earnings from chemicals and transport operations had shown marked increases.

On the other hand, provision for risks involved in ventures in Iran and Turkey would cost more than DM 30m, said Herr Ratjen. Between DM 20m and DM 30m would be needed for special depreciation in the metals processing sector.

Group turnover for the year ended September 30, rose by 11 per cent to DM 7.89bn (\$4,533m). Domestic sales went up 6 per cent to DM 3.96bn, while overseas sales increased by 17 per cent to 3.93bn.

Above average sales growth was reported in the chemicals sector and the group's metals operations—primarily as a result of price increases for non-ferrous metals. The group's metals trading operations continued to do well, as did the Lurgi engineering group, probably the star in MG's armament.

Lurgi, which has landed a number of sensational orders for chemical plant from China, ended the business year with an order book worth DM 3.9bn.


This is an all-time record for the group and a full DM 1bn over the previous high of DM 2.9bn.

Herr Werner Busch, the finance director, said that capital investment during the year totalled DM 182m compared with a depreciation figure of DM 199m.

The group's investment plans for the current year are estimated to be worth DM 250m. Of this, investment in capital plant was expected to amount to DM 220m, with about half allocated to the processing sector.

The investment will be financed partially through a rights issue, scheduled for January, aimed at raising DM 75m.

*This announcement appears as a matter of record only.*



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**Monsanto cuts**

By Sue Cameron, Chemicals Correspondent

The U.S.-based Monsanto chemicals group plans to close sections of Alconcel, its unprofitable Spanish subsidiary.

Monsanto said that it wanted to shut Alconcel's polystyrene and chlorine operations at Monzon and to reduce the number of people employed at the head office in Barcelona. Nearly 300 of the 2,300 employees would be affected.

**Credit Agricole expanding overseas**

ONE OF the largest French banks, Caisse Nationale de Credit Agricole, is planning to expand its international network of offices and is giving particular consideration to Spain and California, because of their potential for banking linked to agriculture, AP-DJ reports from Frankfurt.

At the opening of a representative office in Frankfurt, M. Jacques Lallemand, the bank's chairman, said that the recent loss of tax privileges for Credit Agricole within France had definitely encouraged the bank to seek "a new equilibrium" and to make management "more amenable to the opening of new branches" outside France.

In specifying possible places for new branches, the international manager, M. Serge Robert, said that Credit Agricole had traditionally emphasised agrifinancial and that California

**SWEDISH SHIPBUILDERS**

**Gambling on a vessel for all work**

BY WILLIAM HALL

WHEN SWEDEN'S fourth largest shipyard Oresund, invited representatives of the big oil companies and the technical press to observe the sea trials of its latest ship earlier this week, it knew it was taking a gamble.

The ship, the Stena Constructor, is the biggest and most powerful multi-purpose support vessel (MSV) yet launched. It has been built to fight fires, send a dozen divers down to 300 metres round-the-clock, install complete sub-sea production systems and double up as a floating hotel-cum-hospital.

Normally, shipyards and ship-owners like to conduct sea trials of a new ship in secret, so that they can iron out its faults before putting it on show. In fact, during one of the trials, when the four water cannons were pumping out 8,300 tons of water per hour to a height of 70 metres, the Stena Constructor was using so much power that it was unable to maintain its position and the diving tests had to be abandoned.

Both the Oresund Shipyard and the Stena Line are, however, prepared to show off the Stena Constructor, warts and all, because they have a lot at stake. Like the rest of Sweden's shipyards, Oresund is losing money and needs to demonstrate to the Swedish Government that it can drum up new orders without state aid. Otherwise it could be closed.

Meanwhile, Stena Line has invested over \$100m in four MSVs (including the Stena Constructor) and needs to see them gainfully employed in an industry which is undergoing rapid technological change and suffers severe overcapacity. If it has got its sums wrong and cannot find work for its new ships the outcome could prove to be financially embarrassing.

Of the two companies, the Oresund shipyard based in Landskrona in southern Sweden probably has most at stake. It built its first ship in 1919 and since then has built 245 more. The shipyard used to be part of the Saleninvest Group but was nationalised along with most other Swedish yards in June, 1977, and is now part of Svenska Varv AB (Swedish Shipyards). It employs around 3,000 people—roughly half the working population of Landskrona. If the shipyard was closed the effect on the local community would be profound.

During the 1950s and 1960s Oresund built everything from passenger ferries to floating docks but in the past 10 years it concentrated on large oil/hulk/care carriers. This came to an end last year and, in an effort to find new work, the yard is now concentrating on producing a few technically advanced ships. It is only by adopting this strategy that the Oresund's management believes it can combat the fierce competition from yards in places like Japan, Brazil, Taiwan and Korea.

According to Hans Forberg, Oresund's managing director, the aim is to become one of the most technically advanced yards for building offshore service vessels. For this reason it is pinning its faith on special ships like the Stena Constructor. Oresund needs orders for four ships a year. The management believes that the total world demand for MSVs, like the Stena Constructor, will run at between four and six ships a year in the 1980s. If it can win just two orders a year it will be keeping half the yard's capacity busy.

Although Stena is paying just over \$25m apiece for each ship because of the heavy subsidy, the proper price is about \$30m-\$35m. The real test now for Oresund is whether it can sell ships to foreign owners without the help of subsidies. The company took back responsibility for selling its ships from Svenska Varv earlier this year and has set up a special marketing department.

It needs to show results quickly, however. The Swedish Government is currently mulling over plans for further massive cutbacks in shipbuilding and one of the recommendations of a controversial report from the Boston Consulting Group, leaked to the Swedish Press recently, is that the Oresund shipyard in Landskrona, as well as the Arendal yard in Gothenburg, should be axed.

The big advantage of the Stena Constructor is its price. Even at \$35m it is less than half the price of the new submersible being built for Seaford Maritime and Shell Expro in Finland. This 22,000-ton vessel is costing around \$90m, which in turn is considerably less than the \$150m which is would have cost in Britain.

Oresund is hoping that the Stena Constructor will be the first of a long line of cut-price competitors of semisubmersibles. The big advantage of a semisubmersible is that it is highly stable in even the roughest weather, which means that it can continue working and sending divers down. Several divers have died in the North Sea because their diving support ship could not maintain its position during gales and severed their life support systems.

Although the Stena Constructor is mono-hulled, its builders claim that it is nearly as stable as a semisubmersible and with its dynamic positioning (DP) system it is designed to maintain its position in every kind of weather. Whereas an ordinary diving vessel can operate for 70 per cent of the time, the Stena Constructor aims to operate for 80-85 per cent of the time, which compares with utilisation rates of 50-65 per cent for semisubmersibles. In the North Sea, where semisubmersibles can be commanding up to \$100,000 a day, high utilisation is important.

For the Stena Group the large investment in its fleet of four MSVs is both a big departure and a major act of faith. Unlike some of its larger rivals such as the Salen and Brunstrom Group, Stena has weathered the world shipping recession surprisingly well.

The company operates 23 ships and employs just under 2,000 staff, 1,500 of them seagoing. It has an annual turnover of \$200m and has recently been investing heavily in new tonnage.

In 1977-78 Stena took delivery of 11 9,000-ton RORO ferries from South Korea and it has on order six new ferries which will carry 2,500 passengers and 750 cars. Altogether it has \$300m of ships on order.

As with its new ferries, Stena is gambling that its four MSVs will find their niche in the market before they are made obsolete by new ships still on the drawing board. As Furness Withy has found with its Unisea John—one of the first semi-submersibles—it is possible to make a killing if one can judge the market right. Although it does not have all the capabilities of the Uncle John, the Stena Constructor costs roughly half as much to hire. Both Stena and Oresund hope they have found the right formula.

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Ships No.	1978		Pre-tax Loss (\$K.m)	Employees
	Launched ('000)	Loss (\$K.m)		
UDDVALLA	4	440	169	2,886
KOCKUMS	2	258	47	4,700
ARENDAL	6	239	606	4,120
ORESUND	5	121	118	3,054

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European Banking Company Limited (Agent Bank)  
13th December, 1979



INTERNATIONAL COMPANIES and FINANCE

Murdoch agrees to raise stake in Ansett

BY JAMES FORTH IN SYDNEY

THE STRUGGLE for control of the A\$170m (US\$189m) Ansett Transport Industries, the airline, transport and television group, is virtually over. Mr. Rupert Murdoch, head of the News Ltd. newspaper and media group, will take over from the Ansett founder, Sir Reginald Ansett as chief executive of the group. The 70-year-old Sir Reginald will remain on the board of the empire he founded as a non-executive chairman. As part of the latest arrangement, News will buy the 20 per cent stake in ATI held by Ampol Petro-

to consider the News deal, asked for this restriction to be waived to allow TNT to make a bid for ATI. In Sydney last night, Sir Peter Abeles, the TNT chief executive, said that TNT was not prepared to offer more than A\$2.25 a share. This is the price which News is offering on the market at present in a buying order for four million ATI shares, or 5 per cent of the capital. It is also the same price as News will pay Ampol for its ATI stake. News has agreed to pay A\$2.50 a share to the West Australian businessman, Mr. Robert Holmes a Court for his 15 per cent interest in ATI, after ATI's having pulled out of an earlier arrangement, which entailed ATI buying Mr. Holmes a Court's interests in the Bell Group and the WA businessman buying out the ATI interests of the other major shareholders, TNT, News, and Ampol. Acquisition of the Ampol parcel

will give News 47 per cent of ATI. News is expected to keep buying in the market but will not go beyond 50 per cent of the capital. Ampol could not sell to News unless ATI agreed. Ampol started buying shares in ATI a few months ago, after Mr. Holmes a Court first made a move. It quickly built up a stake of 20 per cent, but ATI retaliated by buying 20 per cent of Ampol on the market—and Ampol sued for peace. The two companies then signed an agreement not to act against the interest of the other. The ATI board has now released Ampol from "certain commitments" under this agreement, at the request of Ampol. This cleared the way for Ampol to sell its ATI holding. It also appears to have removed the restrictions governing Ampol's actions with regard to its ATI stake. Sir Reginald said that subject to the approval of the Australian Broadcasting

Tribunal, ATI would register the share transfer from Ampol to News or its nominee. This is necessary because ATI has television interests and there are legislative restrictions governing equity participation in television. News had previously said that it intended to sell one of ATI's two television stations, but the ATI board had refused to register shares held by News because of possible breaches of the Broadcasting and Television Act. ATI has now agreed not to oppose the registration of shares acquired by News and its associates. Sir Reginald yesterday confirmed that the Brisbane television channel would be sold. He also said that an undertaking had been given that the ATI structure would continue unchanged. "This has been very important to me and I believe that the new arrangements are the best that could be made in the interests of the

company, its shareholders and its employees." The latest ATI move comes hard on the heels of an A\$100m attempt by News to gain control of Australia's largest press group, Herald and Weekly Times, which would have extended its newspaper and television interests, particularly in Victoria. The bid was thwarted by an A\$75m share-market operation organised by the Sydney press group, John Fairfax, and Queensland Press, an associate of HWT. Sir Peter Abeles and Mr. Fred Millar, the TNT chairman, last night claimed that Sir Reginald had withheld details of the talks from them. They said that TNT, mindful of its ATI Board representation, wanted to ensure that minority holders were not denied the opportunity to receive current prices. The ATI Board has refused to allow TNT to bid but has appointed a sub-committee to look at the matter.

Bahrain to take full oil control

By Mary Frings in Bahrain

AN AGREEMENT will be signed in Bahrain on Saturday to end the mining lease granted to the Bahrain Petroleum Company (BAPCO) in 1934, and give the state full ownership of its oil resources and production facilities.

This leaves Saudi Arabia, Oman and the UAE as the only Gulf oil producers still involved in participation agreements with foreign companies.

The first oil concession in Bahrain was given in 1925 by Sheikh Hamad Bin Isa al-Khalifa, grandfather of the present Emir, to a British group, the Eastern and General Syndicate. The group did not exploit it. The option eventually passed to the Standard Oil Company of California (SOCAL). The latter formed a subsidiary company, BAPCO, to operate its concession, and the transfer became fully effective with the granting of the 1934 mining lease.

Refinery construction began in 1935, and in June, 1936, the Texas Company (now Texaco), acquired a half share in Bapco in return for marketing facilities. At the same time SOCAL and Texaco formed a joint marketing company, Caltex.

Ownership participation talks began about seven years ago as part of a general change in the relationship between international oil companies and producing countries. In Bahrain, 25 per cent participation became effective in 1973, but negotiations began on increasing the state's interest to 60 per cent even before this agreement was signed.

Last August, a Government official said that 100 per cent ownership would increase the State's revenue from crude production by only about \$5m a year, but the present uncertain pricing situation has discouraged further estimates. The transfer of assets from BAPCO will be made at their book value as of December 31, 1978, and any expenditure after that date will be for the Government's account.

Turnround into profit by Kanebo

TOKYO—Kanebo, the textiles, cosmetics, and pharmaceutical group has reported a turnround from a deficit of ¥240m to an after tax profit of ¥328m (\$1.4m) for the half year to October 31 on lower sales of ¥120,888m (\$517m) compared with ¥140,770m.

The company said business prospects for the year ending next April were subject to many unknown factors including uncertainty in foreign exchange market and increased interest burdens. It was unable to predict net profit for the year, but profit before tax and special items is expected to reach about ¥2,500m or more, compared with a deficit of ¥3,655m a year earlier. The company expects to pass dividend payments for the fourth consecutive year but is considering a bonus stock issue. Despite a continued slump in

the synthetic textile division, a recovery in the natural textile division and income gains in the cosmetics and pharmaceutical divisions helped improve the business. Interest income from affiliates and subsidiaries also helped improve performance. The sales fall was due mainly to a transfer of Kanebo's textile processing business to its subsidiaries. The land had been mortgaged to Bank Pertanian (Agriculture Bank) for loans totalling 20m ringgit. Syarikat Gula was a joint venture between the state Economic Development Corporation and the Pathan Sugar Works of Bombay. The project closed after five years because it was not able to produce sufficient cane for its mill.

Record land price at HK auction

By Philip Bowring in Hong Kong

HONG KONG'S property boom continues. A 16,000 square foot site in the Tsimshatsui district of Kowloon fetched HK\$263m (US\$53m) at a Government land auction yesterday at HK\$16.100 per square foot, this is almost double that fetched at an adjacent site in June. Meanwhile growing public outcries at escalating land and property prices and rents is causing some concern within the Government. On Tuesday, the senior official in charge of housing suggested the possibility of outlawing some types of speculative property buying, and of extending rent control to all residential premises. However while considering the symptoms of the problem, the Government has done little about the underlying causes — the supply of money and supply of land.

Gula Perak cuts losses in half

BY WONG SULONG IN KUALA LUMPUR

GULA PERAK, the publicly quoted Malaysian sugar plantation which has been under receivership since October, 1975, has reported that its losses for the year ending March have been substantially reduced.

The loss was 2m ringgit (\$818,000) compared with 4.4m ringgit for the previous year, and is the smallest loss recorded since the company went public in 1971. No reason was given for the reduced losses, although it is likely that the company grew more cane.

Accumulated losses amounted to nearly 31m ringgit, compared with the company's paid-up capital of 34m ringgit. As at March 31, Gula Perak had liabilities amounting to 20m ringgit, including 10.8m ringgit in loans and 8.3m ringgit in overdraft facilities. The principal creditors are Telok Plantations, Bank Bumiputra, and the First National City Bank. Meanwhile, the Negri Sembilan state government is reported to be negotiating for the acquisition of 18,500 acres of land in the state owned by Syarikat Gula, which folded up last month after suffering losses of over 40m ringgit.

Japanese car makers to expand capacity

TOKYO — Japanese motor vehicle manufacturers are laying the groundwork for the expansion of their capacity, at a time when their competition in the U.S. is cutting back production.

Industry analysts say that Japan's motor-vehicle production will reach record 10m units this year. If, as is expected, U.S. production of passenger cars, trucks and buses drops below last year's 12.9m units, the difference in output between the U.S. and Japan will narrow to about 2m units. In 1979's first 10 months, Japanese production totalled 7.9m units, up 6.2 per cent from the same period a year earlier.

Analysts say brisk demand in domestic and foreign markets is spurring Japanese plans to expand production capacity. Recently, Toyota Motor Company, Japan's largest car manufacturer, said it would build a plant with a capacity of 10,000 cars a month. The plant is scheduled for completion in spring 1981. In addition, the company said that "depending on the situation," it would begin another 10,000-car-a-month plant with a tentative start-up in 1982. The moves are designed to cope with growing demand. "Because of unexpectedly brisk sales, production capacity is already at the brink of spilling over," the company said. Toyota's output this year is expected to be a record 3.05m units, up from 2.85m in 1978. The projected total includes 1.43m units for export. Two other major auto makers also are developing programmes to raise capacity. Honda Motor Company, which is more export-minded than other Japanese concerns, said it would increase passenger-car production capacity by 100,000 units a year by next spring to meet growing demand. The company's overall capacity will then be 900,000 units a year. Honda estimates sales this year of 800,000 units of which 510,000 will be in foreign countries. Isuzu Motors, which is 34 per cent owned by General Motors Corporation, plans to increase its car-manufacturing capacity to 600,000 units a year, from the current 420,000 units, within the next four years. The company said the move is aimed at strengthening the passenger-car division and making it an independent source of profit. Initially, industry-wide car exports from Japan had been projected to drop slightly below last year's levels, but because of increasing popularity in the U.S. market, export shipments are likely to be 4.8m to 5m units. In 1978, Japanese exports reached 4.6m units. Since the beginning of this year, exports had been below year-earlier levels each month, reflecting a series of price markups as a result of the past sharp appreciation of the yen. Since June, however, exports have turned up, capitalising on the fuel-supply problems in the U.S. In the first 10 months of this year, vehicle exports were just under 4m units, up 3.5 per cent from 1978, but shipments in October rose 33 per cent from a year earlier to 444,875 units. In November, sales of Japanese vehicles in the U.S. rose by 46 per cent to 136,098 units, according to industry sources. The figures include six Japanese car manufacturers but do not include Isuzu. AP-DJ

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### VISITING U.S. JUDGES DRAW PARALLEL WITH EARLY YEARS OF THE SUPREME COURT

# Court's role in European unity

BY A. H. HERMANN, Legal Correspondent

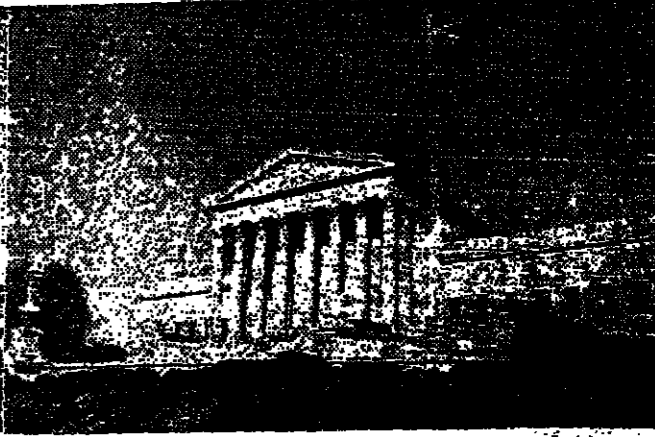
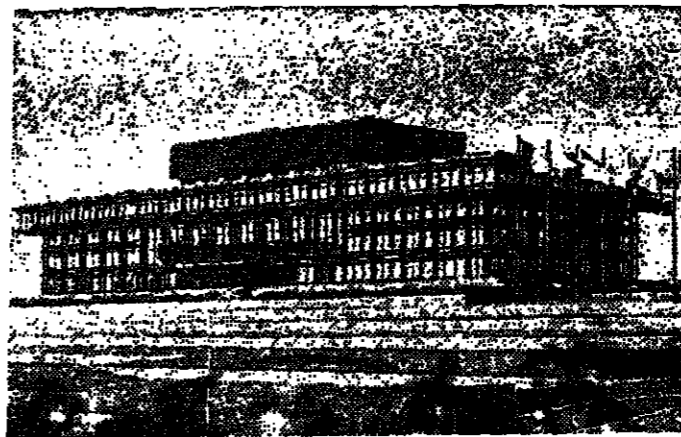
A VISITING band of distinguished American judges and court administrators has taken a view of the European Court which will please Community institutions. They see a strong parallel between the European Court and the U.S. Supreme Court in its early days when it tenaciously forged the reluctant States into a Union.

The judges spent four days of the first week of December at the European Court in Luxembourg and in Brussels, and went on to The Hague and Karlsruhe. Their main interest when visiting the supreme courts of Belgium, the Netherlands and West Germany was to hear at first hand from national judges to what extent and how willingly they accept the supremacy of European law and the preliminary rulings of the European Court. Though all of the U.S. judges were of an age expected in Chief Justices of superior State courts, they were eager to talk about their impressions with a youthful enthusiasm seldom encountered among their European brethren.

The American judges saw in the European Community a repetition of an aspect of early American history. This was expressed with great clarity and conviction by the only Federal judge in the group, Howard T. Markey, Chief Judge of the U.S. Court of Customs and Patent Appeals, who frequently sits on other U.S. Appeal Courts and may be a candidate for the U.S. Supreme Court. He has a grand view of refusing to see the trees which obscure the view of the wood. When told of the objections levelled against some of the European Court's interpretations of the Treaties forming the European Communities, he pointed out that Jefferson had been furious when the Supreme Court for the first time had dared to interpret the Constitution of the United States—a Constitution adopted only a little earlier by an Assembly specifically told to do no such thing.

Like the European Court now, the U.S. Supreme Court spent in its early days much time and energy on defining the items listed in the U.S. customs tariffs and dealing with many other matters of detail which were only later removed from its ambit to specialised federal courts. Judge Markey does not doubt that the European Court too will give up a number of its activities and leave them to specialised Community courts—a development now being urged in the Legal Committee of the European Parliament.

When it was pointed out to him that the European Parliament has very little power so far, the judge was unimpressed: "In 20 years or so they will get all the power they need and will become a countervailing force to the EEC bureaucracy in Brussels. They are now composed of full-time, elected deputies. It is unthinkable that full-time politicians would not find means of grabbing the power they need to be effective and they will use the limited power they have over budget as the lever and the starting point."



The modernity of the European Court in Luxembourg (left) contrasts with the neo-classicism of the U.S. Supreme Court. The former fulfil the union-building task once performed by the latter?

Judge Markey did not accept that, in contrast with the political federation of the former British colonies in America, the European Communities are primarily an economic grouping: "You can't separate business and politics," he said. "Economic co-operation would be impossible without political links and in turn will strengthen and develop them further." The vision of the United States of Europe which will come in about 20 years or so is firmly fixed in his mind.

Their view of the European situation was also undistorted by the storm which broke in the U.S. two days after their departure with the publication of The Brethren in which Bob Woodward, of Watergate fame, and Scott Armstrong, review the inside workings of the U.S. Supreme Court. Their criticism of the Justices for rewriting the law has opened a national debate on a subject treated so far with greatest reticence: whether the Court's work is judicious and judicial and questioning whether, at times, it behaves as a court at all. Serialisation of this book started in the Washington Post on December 2 and will be taken up by hundreds of American publications. It has already received great publicity on American TV and is likely to bring to the fore the perennial problem of judge-made law—the same problem which is at the centre of criticism levelled at the European Court and, in the UK, at Lord Denning.

### Multi-lingual

Having been met everywhere by European judges with a good command of English and intimate knowledge of the American judicial system, the American judges were not made fully aware of the problems of a multi-lingual Community consisting of countries, each with a long tradition of statehood and separate legal development. They were not told that President Giscard d'Estaing of France had urged the Dublin Summit "to do something about the European Court and its illegal decisions" and they had never heard of the problems faced by European industry which has to notify restrictive agreements to the European Commission and then wait for years until their "provisional invalidity" is lifted. They did not know about de-

visions of the German and Italian Constitutional Courts which circumscribed the powers of the European Court. Their impression was that the rulings of the European Court are gladly and willingly observed by the national courts and that, in this respect, everything in the garden is rosy.

When visiting the national supreme courts of Belgium, Germany and the Netherlands, the American judges seemed to be surprised how many judges administered justice in relatively small countries, compared with only nine justices of the U.S. Supreme Court. They did not see the need of having, instead of one Supreme Court, two courts, one to deal with constitutional matters—overlooking the advantage of a separate constitutional court whose members, as in Germany, are selected

to represent a cross-section of political views and social trends. But the judges were quick to detect the dangers of contrary conclusions reached by the several Benches of the German Federal Court—dangers entirely removed by the ease of having divergent views muzzled by an opinion delivered by the full court.

The American judges were much more conscious than European counterparts of the importance of office routines and facilities both to enable lawyers to work more efficiently and to allow the public fast and fuller access to what courts are doing. Their pride is nearer to the Continent than to the UK's in that judges are assumed to know the case from briefs and written pleadings before the hearing opens. The hearing is usually short and the full of judgments is available immediately they are handed down. Equipping courts with recording and information retrieval devices is obviously a big business—in Kentucky for example all proceedings are recorded and anyone can obtain a complete copy of the original tape from the court as soon as judgment has been pronounced.

The importance of court administration, now recognised as a "science," was made evident by the three court administrators who accompanied the judges on their European tour. Two of them held important positions in the management of courts and the third, Mr. Har Solomon, is Director of Institute for Court Management, a non-profit making organisation receiving a Government grant to develop court management techniques and to train court administrators. Such upgrade of court administration is sorely needed in Europe.



## Electric heating saves Pretty Polly £20,000 a year

"We produce three million pairs of tights every week" says Brian McMeekin, Managing Director of Pretty Polly Limited "and we need to be sure that our investment in new plant will keep up our productivity, our quality standards and show a good return."

With existing drying equipment approaching the end of its useful life, Pretty Polly's Group Electrical Engineer needed to find a replacement which would give the necessary technical performance and achieve savings in energy costs if possible. He talked to East Midlands Electricity Board's Gerry Pilkington who recommended electric RF heating as a possible solution. A visit to a factory using a similar electric system convinced Pretty Polly that it offered real advantages. They were put in touch with Pye Thermal Bonders who successfully tendered for a purpose-built conveyor unit.

"With the new equipment we are not only getting the output we want and experiencing fewer rejects" says Brian McMeekin "but, we are also achieving an energy cost saving of £20,000 a year on one process alone, and that means a payback on our investment in under two years!"

Left: Brian McMeekin, Managing Director of Pretty Polly Limited (centre) discusses electric drying with Fred Anderson (right) his Group Electrical Engineer and Gerry Pilkington of East Midlands Electricity Board.

Right: The compact new electric RF drying unit installed at the Station-in-Ashfield Pretty Polly factory. Another unit is now on order for the Killarney factory.



**INVEST-ELECTRIC**  
The Electricity Council, England and Wales



Pound firm

THE POUND improved against most major currencies yesterday... The pound fluctuated quite sharply during the day...

The dollar fluctuated quite sharply during the day... The Japanese yen lost ground and the dollar rose to its best level for the day...

FRANKFURT - There was no intervention by the Bundesbank at yesterday's fixing... The U.S. unit suffered from the probability of a sharp rise in oil prices...

EMU EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, ECU central rates, % change against ECU, % change adjusted for divergence, Divergence limit %.

EXCHANGE CROSS RATES

Table with columns: Dec. 12, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Dec. 12, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

Belgian bank rate up

European interest rates took another upward turn yesterday... The Belgian franc remained the weakest member of the EMS...

THE POUND SPOT AND FORWARD

Table with columns: Dec. 12, Day's spread, Close, One month, % Three months, % p.a.

THE DOLLAR SPOT AND FORWARD

Table with columns: Dec. 12, Day's spread, Close, One month, % Three months, % p.a.

CURRENCY RATES

Table with columns: Dec. 12, Rank, Special Rights, European Currency Unit, Dec. 12, Rank, Morgan Stanley Index.

OTHER MARKETS

Table with columns: Dec. 12, Argentina Peso, Brazil Cruzeiro, Greek Drachma, Hong Kong Dollar, Indian Rupee, Kuwaiti Dirham, Luxembourg Franc, Malaysian Dollar, New Zealand Dollar, Saudi Arab. Riyal, Singapore Dollar, Sth. African Rand.

Table with columns: Dec. 12, Gold Bullion (fine ounce), Gold Coins.

UK MONEY MARKET

Adequate credit

Bank of England Minimum Lending Rate 17 per cent... Day-to-day credit was in adequate supply in the London money market yesterday...

LONDON MONEY RATES

Table with columns: Dec. 12, 1979, Sterling Certificate of deposit, Interbank, Local Authority deposits, Local Authority negotiable bonds, Finance House deposits, Discount, Company market Treasury Deposits, Eligible Bills, Fine Trade.

WHY BRITAIN MUST RESTORE PRIMACY OF CREATING WEALTH

Flaws in focus on welfare

BY JAMES McDONALD

BRITAIN'S concentration since the Second World War on developing the welfare state had not been wholly beneficial...



Sir Peter Carey

"We have moved not to a position where the creation of wealth and the pursuit of egalitarian social ideals are regarded as equally acceptable aims...

"To achieve such a transition, Sir Peter believed that the answer must be found in our culture... In developing our society in the post-war period, we have too often ignored the virtues of enterprise...

"Inventiveness" Enterprise was important at all levels of the industrial-commercial community... The corporate engineer, the man whose inventiveness and flair lead him to do more than the company would expect of him...

we understand well is difficult enough... But Britain must achieve such an improvement against a background of remarkable change...

"That technology alone was capable of revolutionising industry and, indeed, all our lives in a very short space of time... Application of microprocessors to products and processes would be legion...

"We have the ability to do so, we are no worse endowed with resources than most of our competitors... The obvious conclusion was that Britain might be heading in the very short-term for an absolute decline in welfare...

ANNUAL AVERAGE PERCENTAGE CHANGE IN VOLUME OF OUTPUT PER EMPLOYEE IN MANUFACTURING

Table with columns: 1955-60, 1964-69, 1969-73, 1973-78.

APPROXIMATE GROSS DOMESTIC PRODUCT PER HEAD OF SEVERAL COUNTRIES AS A RATIO THAT OF THE UK

Table with columns: 1990/4, 1972, 1978, 1950, 1970, 1975.

FEBRUARY 1980 ISSUE

THE BANKER

The February 1980 issue of THE BANKER will publish a focus on New York—the next Financial Capital of the Western World...

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EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Jan., Last, April, Last, July, Last, Stock.

BASE LENDING RATES

Table with columns: Bank Name, Rate.

TOTAL VOLUME IN CONTRACTS: C=Call, P=Put, 1555



Companies and Markets

WORLD STOCK MARKETS

Wall St. mixed after fair trade

NEW YORK

Table of New York stock market data including various stock prices and indices.

Table of international stock market data including London, Frankfurt, and other major markets.

Table of international stock market data including Tokyo, Hong Kong, and other major markets.

Table of international stock market data including Australia, Canada, and other major markets.

Indices

Table of various stock indices including Dow Jones, S&P 500, and others.

NEW YORK ACTIVE STOCKS

Table of active stock transactions in New York, including volume and price changes.

MONTEAL

Table of stock market data for Montreal.

TORONTO

Table of stock market data for Toronto.

Some energy stocks and a few take-over issues managed good price gains, but overall the Wall Street stock market ended mixed after fairly active trading yesterday.

The Dow Jones Industrial Average was a modest 1.37 up at 335.57 and the NYSE All Common Index 3 cents harder at 81.58, but declining issues narrowly outnumbered gains by 772 to 740. A total of 34,630 shares changed hands, compared with Tuesday's 36,290.

Analysts said the already cautious market found new reason for worry in action by the Federal Reserve Bank yesterday, indicating the Fed does not want interest rates to ease just now.

Before the Fed action yesterday, the market was already facing a weak dollar, soaring gold prices, prospects for another inflationary rise in the price of oil resulting from next week's OPEC meeting in Caracas, and confusion about the direction of interest rates and the health of the economy.

Southwest Bank of St. Louis cut its prime rate to 15 per cent yesterday from 15 1/2 per cent, followed by first Georgia Bank, but major banks remained at 15 per cent.

Despite all the negatives, analysts added that the market remains fairly resilient because of the large amount of cash in the hands of institutional investors, who are conducting selective buying operations and making portfolio adjustments.

Canada's Nikkei-Dow Jones Average advanced 57.26 to 6,501.24 and the Tokyo SE index climbed 3.58 to 453.56, while rises outscored falls on the First Market section by 413 to 293 after volume of 310m shares.

Nippon Oil rose Y30 to Y1,830 and Teikoku Oil Y60 to Y1,060, followed by first Georgia Bank, but major banks remained at 15 per cent.

Shares were no worse than mixed yesterday in a more active session than of late following the recent setback. However, brokers said many buyers are staying away from the market until the oil price increase is decided at the OPEC ministers meeting in Caracas.

There was keen overseas interest shown in oil issues ahead of the OPEC meeting next week. Market leader BHP gained 20 cents to A\$10.00, Adelaide Petroleum 9 cents to A\$1.97, and Anglo American 2 cents to 21 cents.

Record world bullion prices overnight saw Central Bank of London buy 25 tons of gold for A\$1.05, G.M.W.K. 10 cents to A\$1.40, and Fossilized 13 cents to A\$1.90.

Base Metal Producers advanced on stronger copper and silver prices. BHP added 12 cents to A\$10.00, Bougainville Copper 10 cents to A\$2.52, and Western Mining 3 cents to A\$3.18.

Shares closed mostly lower in quiet trading with the weaker dollar, continued tension in Iran and Dutch political uncertainties providing an unfavourable background.

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COMMODITIES and AGRICULTURE

Companies and Markets

France launches metals stockpile plan

BY TERRY DODDSWORTH IN PARIS

THE FRENCH Government is launching a new state-backed fund to raise money from the general public for investment in strategic raw material stocks.

Discussions have been going on since the beginning of the year on means of stepping up the country's raw material reserves. But the Government has been hampered by the rise in interest rates which has made the cost of financing these stocks through traditional bank loans prohibitive.

The main effort in building up stocks in the immediate future will go into copper, lead, tungsten and chrome, the government said yesterday. In addition, platinum, zirconium and cobalt figure high on the list of strategic stocks.

Further efforts to develop both financial and technical expertise to help the mining industry are now being examined. But these will be designed to assist both the exploration and exploitation of mineral resources in cases where the national supply position is important.

of these initiatives have progressed much so far, the authorities will clearly be in an improved financial position to step up their efforts on these fronts with the backing of the new fund.

French incomes rise despite the squeeze

BY CHRISTOPHER PARKES

FRENCH FARMERS held their own this year in spite of rising costs and pressure on prices. Provisional estimates of the agriculture industry's performance from the French Ministry of Agriculture show that the average producer's gross income rose 10.7 per cent and his real purchasing power increased by 0.9 per cent.

While earnings from some crops rose far more than the average—potato growers made about 66 per cent more than last year and quality wine prices also increased by more than 30 per cent—most of the gains came from increased production.

After a horrific start to the year, when frost was thought to have destroyed vast areas of grain, cereal crops yielded exceptionally well.

Farm rents up 18.6%

By Our Commodities Staff

ENGLISH FARM rents continued to rise faster than the inflation rate in the year to mid-October. According to figures released by the Ministry of Agriculture yesterday the average rent of agricultural land in England in mid-October stood at £47.66 per hectare compared with £40.20 a year earlier.

Lower beef supply forecast

BY RICHARD MOONEY

SUPPLIES OF beef and veal in Britain next year could be down as much as 4 per cent, the Meat and Livestock Commission said yesterday.

In its monthly UK market survey, published yesterday, the Commission forecast that imports would rise but with home-grown production expected to fall 55,000 tonnes to 970,000 tonnes overall supplies were likely to be reduced.

Lower beef supply forecast

340,000 tonnes in the first half of 1980 while bacon and ham output was also likely to be unchanged at 100,000 tonnes, MLC said.

Mutton and lamb supplies were expected to be about 20,000 tonnes up next year with both domestic and imported supplies forecast to rise slightly. Sheep and lamb slaughterings in the 1980-81 (April/March) season were projected to rise 5-10 per cent to 11.1-11.5m head following a 9 per cent fall to 10.3m in 1978-79, the MLC survey said.

Tin sales Bill passed

By Our Commodities Editor

THE U.S. House of Representatives last night approved a Bill authorising the sale of 35,000 tons of tin from the strategic stockpile, as well as 3m carats of industrial diamonds.

The inclusion of silver in the Bill is a point of dispute between the two Houses. A compromise was agreed by the Senate-House conference committee reducing the amount of stockpile silver to be sold from 15m to 5m oz.

Tin sales Bill passed

There was some confusion on the London Metal Exchange tin market yesterday over the tin market in Washington.

The executive committee may decide to increase export quotas next year in a bid to damp down the recent price upsurge and stop them rising above 15 cents a lb at which level quotas are automatically suspended.

NZ wool chief to stand down

Mr. John Clarke, chairman of the New Zealand Wool Board, will not offer himself for re-election when his term of office expires next August, the International Wool Secretariat (IWS) said yesterday.

Cameroon agrees Cassava plantation project

BY CHARLES BATCHELOR IN AMSTERDAM

THE Cameroon Government has agreed a \$16.20m (£8.10m) cassava project with HVA-Holland Agro Industries with the Dutch agriculture group managing the establishment of a 3,000 hectare plantation in the eastern province with processing plant to produce 4,000 tonnes of starch, glucose and tapioca a year.

Cameroon agrees Cassava plantation project

The plantation will produce a minimum of 20,000 tonnes of cassava a year to meet the needs of the Cameroon paper and cotton industries. It will allow the substitution of home-produced products for the estimated 1,500 tonnes of starch which Cameroon now imports each year.

COFFEE

London coffee futures opened 25-10 lower in mixed dealings and fell to 2527.5 on the pre-market but declined to the day's low of 2510 in the afternoon as chartist and stop-loss selling emerged in the lower levels.

SILVER

Silver was fixed at its highest level since 1974 at 915.00, a rise of 5.5p an ounce from Tuesday's fixing, U.S. Cent. equivalents of the fixing were: Spot 2,014.00, up 28.00; three-month 2,062.00, up 29.00; six-month 2,094.00, up 30.00; and 12-month 2,144.00, up 30.00.

BRITISH COMMODITY MARKETS

BASE METALS

Table with columns for metal type (Copper, Lead, Tin, Zinc), price, and change. Includes sub-sections for Copper, Lead, Tin, and Zinc.

COFFEE

Table with columns for coffee type (Arabica, Robusta), price, and change.

GRAINS

Table with columns for grain type (Wheat, Barley), price, and change.

SOYABEAN MEAL

Table with columns for soyabean meal type, price, and change.

MEAT/VEGETABLES

Table with columns for meat/vegetable type, price, and change.

I.G. Index Limited 01-351 3466. March Sterling 2.1760-2.1800. 29 Lonsdale Road, London SW10 0HS.

CORAL INDEX: Close 420-425 (-2)

INSURANCE BASE RATES table with columns for property type and rate.

CONTRACTS AND TENDERS

GOVERNMENT OF YEMEN ARAB REPUBLIC HOUSING CREDIT BANK

TENDER NOTICE FOR CONSTRUCTION AND COMPLETION OF 2,000 DWELLING UNITS

The Housing Credit Bank invites tenders from internationally reputed firms for constructions and completion of 2,000 dwelling units for which the framework of about 500 units has been constructed.

Housing Credit Bank, Office of the Chairman, P.O. Box 638, Sanaa.

Tender documents can be purchased starting 18th December 1979 against non-refundable cash price of U.S. dollars 500.

WHEAT

Table with columns for wheat type, price, and change.

BARLEY

Table with columns for barley type, price, and change.

SUGAR

Table with columns for sugar type, price, and change.

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COCOA

Table with columns for cocoa type, price, and change.

RUBBER

Table with columns for rubber type, price, and change.

WOOL FUTURES

Table with columns for wool future type, price, and change.

Sugar pact decision postponed

BY JOHN EDWARDS, COMMODITIES EDITOR

THE International Sugar Organisation executive committee meeting in London yesterday called to review the world market situation, took no firm decisions. It will meet again next week.

The executive committee may decide to increase export quotas next year in a bid to damp down the recent price upsurge and stop them rising above 15 cents a lb at which level quotas are automatically suspended.

AMERICAN MARKETS

NEW YORK, December 12. THE PRECIOUS metals were mixed with gold showing losses on pro-bidding and silver remaining flat.

Copper was unchanged to slightly lower on the strength of precious metals earlier in the day. Coffee was sharply higher on the report to extend the delivery period for the December contract.

INDICES

Table with columns for index type, price, and change.

DOW JONES

Table with columns for Dow Jones index, price, and change.

NOODY'S

Table with columns for Noodly's index, price, and change.

REUTERS

Table with columns for Reuters index, price, and change.

FINANCIAL TIMES

Table with columns for Financial Times index, price, and change.







FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Aberdeen Unit Trust, Abnaby Unit Trust, and others, including their managers and contact information.

Table listing unit trusts under the heading 'Discretionary Unit Fund Managers', including details like fund name, manager, and performance metrics.

Table listing unit trusts under the heading 'Mayflower Management Co. Ltd.', detailing various investment funds and their characteristics.

Table listing unit trusts under the heading 'Target Unit Managers Ltd.', providing information on different trust schemes.

Table listing unit trusts under the heading 'Confederation Life Insurance Co.', including details on various insurance and investment products.

Table listing unit trusts under the heading 'London A'eeas & Nims. Mkt. Assur. Ltd.', detailing investment and insurance offerings.

Table listing unit trusts under the heading 'Scottish Widows' Group', including various pension and investment funds.

Table listing unit trusts under the heading 'Capital International S.A.', providing details on international investment trusts.

NOTES: Information regarding the accuracy of the data, the date of the information, and other relevant details for investors.

INSURANCE PROPERTY BONDS

Table listing insurance and property bond products, including details on various policies and providers.

OFFSHORE & OVERSEAS FUNDS

Table listing offshore and overseas investment funds, including details on international and foreign market exposure.

Continued on previous page







**OKASAN SECURITIES CO. LTD.**  
 London Branch: Buckingham House, 62-63 Queen St., London EC4A 3DF. Tel: 8811131  
 NB OKASAN Tel: 01-243 5044

**MINES—Continued**  
**CENTRAL AFRICAN**

1979	Low	High	Stock	Price	% Chg	Div	Yield
425	133	133	Falcon Rh. Soc.	100	+15	0.00	0.00
426	11	11	Roads Corp. 1980	10	+1	0.00	0.00
427	11	11	W. Africa Co. 1981	10	+1	0.00	0.00
428	11	11	W. Africa Co. 1982	10	+1	0.00	0.00
429	11	11	W. Africa Co. 1983	10	+1	0.00	0.00

**AUSTRALIAN**

1979	Low	High	Stock	Price	% Chg	Div	Yield
14	9	9	Acme	12	-1	0.00	0.00
15	10	10	Bone Corp.	10	+4	0.00	0.00
16	10	10	South Pacific	10	+4	0.00	0.00
17	10	10	Central Pacific	10	+4	0.00	0.00
18	10	10	Central Pacific	10	+4	0.00	0.00

**TINS**

1979	Low	High	Stock	Price	% Chg	Div	Yield
23	23	23	Bermin	27	-1	0.00	0.00
24	23	23	Bermin	27	-1	0.00	0.00
25	23	23	Bermin	27	-1	0.00	0.00
26	23	23	Bermin	27	-1	0.00	0.00
27	23	23	Bermin	27	-1	0.00	0.00

**COPPER**

1979	Low	High	Stock	Price	% Chg	Div	Yield
120	56	56	Mesa	50	+10	0.00	0.00
121	56	56	Mesa	50	+10	0.00	0.00
122	56	56	Mesa	50	+10	0.00	0.00
123	56	56	Mesa	50	+10	0.00	0.00
124	56	56	Mesa	50	+10	0.00	0.00

**MISCELLANEOUS**

1979	Low	High	Stock	Price	% Chg	Div	Yield
62	62	62	Cons. Murch. 1980	62	+10	0.00	0.00
63	62	62	Cons. Murch. 1981	62	+10	0.00	0.00
64	62	62	Cons. Murch. 1982	62	+10	0.00	0.00
65	62	62	Cons. Murch. 1983	62	+10	0.00	0.00
66	62	62	Cons. Murch. 1984	62	+10	0.00	0.00

**NOTES**

Unless otherwise indicated, prices and net dividends are in pence and denominated in 25p. Estimated price/earnings ratios and yields are based on latest annual reports and accounts and, where possible, are updated on a half-yearly basis. P/E ratios are calculated on the basis of net distributable profits. Dividend yields are based on the current dividend. Dividends are based on the "maximum" distribution. Yields are based on middle prices of shares, adjusted to ACT of 30 per cent and allow for value of deferred distributions and rights.

**TEAS**

**India and Bangladesh**

1979	Low	High	Stock	Price	% Chg	Div	Yield
276	295	295	Assam Tea	295	+5	0.00	0.00
277	295	295	Assam Tea	295	+5	0.00	0.00
278	295	295	Assam Tea	295	+5	0.00	0.00
279	295	295	Assam Tea	295	+5	0.00	0.00
280	295	295	Assam Tea	295	+5	0.00	0.00

**TEAS**

**Sri Lanka**

1979	Low	High	Stock	Price	% Chg	Div	Yield
315	320	320	Blantyre	310	+10	0.00	0.00
316	320	320	Blantyre	310	+10	0.00	0.00
317	320	320	Blantyre	310	+10	0.00	0.00
318	320	320	Blantyre	310	+10	0.00	0.00
319	320	320	Blantyre	310	+10	0.00	0.00

**TEAS**

**Central Rand**

1979	Low	High	Stock	Price	% Chg	Div	Yield
773	773	773	Durban Deep R.L.	773	+15	0.00	0.00
774	773	773	Durban Deep R.L.	773	+15	0.00	0.00
775	773	773	Durban Deep R.L.	773	+15	0.00	0.00
776	773	773	Durban Deep R.L.	773	+15	0.00	0.00
777	773	773	Durban Deep R.L.	773	+15	0.00	0.00

**TEAS**

**Eastern Rand**

1979	Low	High	Stock	Price	% Chg	Div	Yield
347	347	347	Bracken 25	347	+10	0.00	0.00
348	347	347	Bracken 25	347	+10	0.00	0.00
349	347	347	Bracken 25	347	+10	0.00	0.00
350	347	347	Bracken 25	347	+10	0.00	0.00
351	347	347	Bracken 25	347	+10	0.00	0.00

**TEAS**

**Far West Rand**

1979	Low	High	Stock	Price	% Chg	Div	Yield
529	529	529	Buffet	529	+10	0.00	0.00
530	529	529	Buffet	529	+10	0.00	0.00
531	529	529	Buffet	529	+10	0.00	0.00
532	529	529	Buffet	529	+10	0.00	0.00
533	529	529	Buffet	529	+10	0.00	0.00

**TEAS**

**O.F.S.**

1979	Low	High	Stock	Price	% Chg	Div	Yield
170	170	170	First Star Dev. Soc.	170	+10	0.00	0.00
171	170	170	First Star Dev. Soc.	170	+10	0.00	0.00
172	170	170	First Star Dev. Soc.	170	+10	0.00	0.00
173	170	170	First Star Dev. Soc.	170	+10	0.00	0.00
174	170	170	First Star Dev. Soc.	170	+10	0.00	0.00

**TEAS**

**FINANCE**

1979	Low	High	Stock	Price	% Chg	Div	Yield
534	534	534	Ang. Am. Coal Soc.	534	+10	0.00	0.00
535	534	534	Ang. Am. Coal Soc.	534	+10	0.00	0.00
536	534	534	Ang. Am. Coal Soc.	534	+10	0.00	0.00
537	534	534	Ang. Am. Coal Soc.	534	+10	0.00	0.00
538	534	534	Ang. Am. Coal Soc.	534	+10	0.00	0.00

**TEAS**

**REGIONAL MARKETS**

The following is a selection of London quotations of shares presently listed only in regional markets. Prices of Irish stocks are given in pence and not officially listed in the UK exchange.

**TEAS**

**RECENT ISSUES**

This service is available to every company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security.

**TEAS**

**OPTIONS**

**3-month Call Rates**

1979	Low	High	Stock	Price	% Chg	Div	Yield
27	27	27	Tube Invest.	27	+10	0.00	0.00
28	27	27	Tube Invest.	27	+10	0.00	0.00
29	27	27	Tube Invest.	27	+10	0.00	0.00
30	27	27	Tube Invest.	27	+10	0.00	0.00
31	27	27	Tube Invest.	27	+10	0.00	0.00

**TEAS**

**DIAMOND AND PLATINUM**

1979	Low	High	Stock	Price	% Chg	Div	Yield
100	100	100	Anglo-Am. Ind. Soc.	100	+10	0.00	0.00
101	100	100	Anglo-Am. Ind. Soc.	100	+10	0.00	0.00
102	100	100	Anglo-Am. Ind. Soc.	100	+10	0.00	0.00
103	100	100	Anglo-Am. Ind. Soc.	100	+10	0.00	0.00
104	100	100	Anglo-Am. Ind. Soc.	100	+10	0.00	0.00

**TEAS**

**FINANCE**

1979	Low	High	Stock	Price	% Chg	Div	Yield
105	105	105	Anglo-Am. Ind. Soc.	105	+10	0.00	0.00
106	105	105	Anglo-Am. Ind. Soc.	105	+10	0.00	0.00
107	105	105	Anglo-Am. Ind. Soc.	105	+10	0.00	0.00
108	105	105	Anglo-Am. Ind. Soc.	105	+10	0.00	0.00
109	105	105	Anglo-Am. Ind. Soc.	105	+10	0.00	0.00

**TEAS**

**FINANCE**

1979	Low	High	Stock	Price	% Chg	Div	Yield
110	110	110	Anglo-Am. Ind. Soc.	110	+10	0.00	0.00
111	110	110	Anglo-Am. Ind. Soc.	110	+10	0.00	0.00
112	110	110	Anglo-Am. Ind. Soc.	110	+10	0.00	0.00
113	110	110	Anglo-Am. Ind. Soc.	110	+10	0.00	0.00
114	110	110	Anglo-Am. Ind. Soc.	110	+10	0.00	0.00

**TEAS**

**FINANCE**

1979	Low	High	Stock	Price	% Chg	Div	Yield
115	115	115	Anglo-Am. Ind. Soc.	115	+10	0.00	0.00
116	115	115	Anglo-Am. Ind. Soc.	115	+10	0.00	0.00
117	115	115	Anglo-Am. Ind. Soc.	115	+10	0.00	0.00
118	115	115	Anglo-Am. Ind. Soc.	115	+10	0.00	0.00
119	115	115	Anglo-Am. Ind. Soc.	115	+10	0.00	0.00

**TEAS**

**FINANCE**

1979	Low	High	Stock	Price	% Chg	Div	Yield
120	120	120	Anglo-Am. Ind. Soc.	120	+10	0.00	0.00
121	120	120	Anglo-Am. Ind. Soc.	120	+10	0.00	0.00
122	120	120	Anglo-Am. Ind. Soc.	120	+10	0.00	0.00
123	120	120	Anglo-Am. Ind. Soc.	120	+10	0.00	0.00
124	120	120	Anglo-Am. Ind. Soc.	120	+10	0.00	0.00

**FINANCE, LAND—Continued**

1979	Low	High	Stock	Price	% Chg	Div	Yield
125	125	125	Anglo-Am. Ind. Soc.	125	+10	0.00	0.00
126	125	125	Anglo-Am. Ind. Soc.	125	+10	0.00	0.00
127	125	125	Anglo-Am. Ind. Soc.	125	+10	0.00	0.00
128	125	125	Anglo-Am. Ind. Soc.	125	+10	0.00	0.00
129	125	125	Anglo-Am. Ind. Soc.	125	+10	0.00	0.00

**INVESTMENT TRUSTS—Cont.**

1979	Low	High	Stock	Price	% Chg	Div	Yield
130	130	130	Anglo-Am. Ind. Soc.	130	+10	0.00	0.00
131	130	130	Anglo-Am. Ind. Soc.	130	+10	0.00	0.00
132	130	130	Anglo-Am. Ind. Soc.	130	+10	0.00	0.00
133	130	130	Anglo-Am. Ind. Soc.	130	+10	0.00	0.00
134	130	130	Anglo-Am. Ind. Soc.	130	+10	0.00	0.00

**PROPERTY—Continued**

1979	Low	High	Stock	Price	% Chg	Div	Yield
135	135	135	Anglo-Am. Ind. Soc.	135	+10	0.00	0.00
136	135	135	Anglo-Am. Ind. Soc.	135	+10	0.00	0.00
137	135	135	Anglo-Am. Ind. Soc.	135	+10	0.00	0.00
138	135	135	Anglo-Am. Ind. Soc.	135	+10	0.00	0.00
139	135	135	Anglo-Am. Ind. Soc.	135	+10	0.00	0.00

**INSURANCE—Continued**

1979	Low	High	Stock	Price	% Chg	Div	Yield
140	140	140	Anglo-Am. Ind. Soc.	140	+10	0.00	0.00



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## NCB and unions warn on steel and pit closures

BY ROBIN REEVES AND CHRISTIAN TYLER

THE British Steel Corporation's plans to halve South Wales steel capacity and switch to cheaper imported coking coal will seriously hit the Welsh coal-mining industry, Mr. Philip Weekes, the NCB area director, warned yesterday.

He said that he was drawing up contingency plans for closure of up to 21 of the 37 collieries in South Wales, which would result in at least 15,000 redundancies among the area's 27,000 miners.

This would more than double, to more than 30,000, the number of jobs lost in South Wales directly as a result of the crisis in the steel industry.

BSC's latest retrenchment package calls for up to 15,000 redundancies at its giant Port Talbot-Llanwern works and as yet unspecified cut at associated "downstream" processing units in Wales, including the unplated works at Tro'tre, Felindre and Ebbw Vale.

Further redundancies, in addition to the 6,400 already planned at Shotton, North Wales, are also likely, all by next August, he said.

Mr. George Wright, the Wales TUC general secretary, warned that if the Government failed to intervene the prospect of a

general strike was "a possibility." He sent a telegram to the Prime Minister, Mrs. Thatcher, urging her and senior ministers to visit South Wales to hear at first hand about the implications.

TUC leaders estimated yesterday that at least 50,000 more jobs nationally outside steel could be lost if BSC went ahead with its cutback, making over 100,000 in all.

These estimates, as well as raising the prospect of a confrontation with the miners, are likely to be used by the Opposition in today's debate in the Commons.

The line of the Opposition's attack is expected to be that the Government could not afford the social consequences, particularly in South Wales, of sticking to its refusal to fund further BSC losses.

Yesterday the TUC Economic Committee expressed "grave concern" and said: "At a time when steel industries throughout the world are facing difficulties because of the worldwide recession it is dangerous for the Government to force British Steel to break even next year."

A meeting due today of steel unions and Mr. Len Murray, TUC general secretary, with Sir

Keith Joseph, the Industry Secretary, has been postponed.

Mr. Bill Sims, chairman of the TUC Steel Committee, repeated his warning yesterday that there would be mass action against the cuts, but also repeated that that did not necessarily mean industrial action.

The strength of trade union feeling will become clear at a meeting today of the TUC Steel Committee. Its recommendations will be passed back to the TUC General Council next month for its official support, Mr. Sims said.

Full-time officials of all the unions involved are to meet in Cardiff early next week. The General Council of the Wales TUC will meet on Wednesday to consider calling an emergency conference early in the New Year.

On the coal effects, Mr. Weekes explained that halving the steel production capacity of Port Talbot and Llanwern to 2.75m tonnes a year would also halve BSC's consumption of South Wales coking coal to 1.6m tonnes.

This was the output of 11 collieries affecting more than 8,000 jobs.

"If BSC also choose to feed

their blast furnaces with imported coking coal from the U.S. and Australia, you can double it to 21 collieries and 15,000 jobs." It would not be possible to find other markets.

The NCB and NUM have already arranged a joint approach to the Government to press for action to bridge the gap of £3 to £10 a tonne between domestic and imported coal prices. But Ministers' initial response has been discouraging.

Mr. Weekes stressed that unless steel plant, it was impossible to "pullball" Welsh coal-miners.

"If the Government wants to turn on the tap in five years' time, because of growing energy shortage, it won't be able to. He denied that the threatened pits were in any case nearing the end of their life. Apart from one, they all contained useful reserves, he said.

● The executives of the National Union of Railwaymen and the train drivers' union, ASLEF, meet today to consider requests from Mr. Sims to halt all steel movements by rail if the planned steel strike over pay goes ahead on January 2.

Steel closure leaves Consett without hope, Page 5

## Meccano closure 'outraged' Minister

By Alan Pike, Labour Correspondent

**AIRFIX MANAGEMENT** appeared to have "behaved like a caricature of an 18th-century millowner" if reports of the closure of the Meccano factory at Liverpool were correct, Mr. David Mitchell, Under-Secretary at the Department of Industry, said yesterday.

Mr. Mitchell told a delegation of workers from the factory, closed abruptly a fortnight ago, and local MPs that he would seek a meeting with the management.

The Department of Employment is already conducting an investigation to see if there has been a breach of the Employment Protection Act, since the company did not give the usual 90 days' advance notice of redundancies.

Mr. Mitchell admitted to the delegation that he felt a "sense of outrage" at the reported circumstances of the closure.

He told them that he would take up with Department of Health and Social Security Ministers complaints of difficulties in the payment of social security benefits.

But he said that further financial assistance to either Airfix or a possible buyer of the Meccano factory would be considered only if it were likely to lead to a viable project.

Some redundant Meccano workers have occupied the factory and attempted a work stoppage since the closure on November 30.

Mr. Frank Bloor, convenor, said after yesterday's meeting with Mr. Mitchell: "We won't give up. We will continue our fight until we have saved our jobs."

He said that many orders for toys had been received since the closure, and one buyer in the U.S. wanted £2.5m-worth of stock. "At this stage we are not interested in selling stock. We want our jobs."

Mr. David Alton, Liberal MP for Liverpool Edgehill, said after the meeting that the Meccano factory had a very willing work force, and could be saved.

He moved that there might be a move to take the famous names of Meccano and Dinky from Merseyside and "manufacture them in Hong Kong or somewhere else in the East."

He intends to raise the closure in the Commons today, and again in an adjournment debate tomorrow.

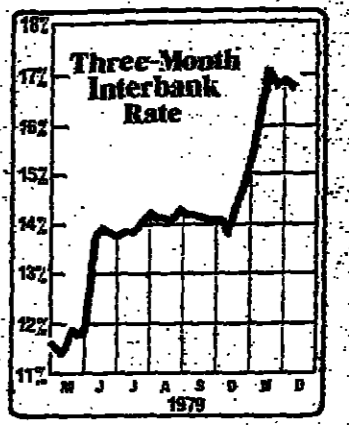
Picture, Page 7

## THE LEX COLUMN

# The stock market's second tier

Since the early 1970s the London stock market has for the most part been shunned by small entrepreneurs and the number of new listings has dwindled to a trickle. What are the reasons for this?

Index rose 0.7 to 423.6



Whether the reasons for this are the onerous regulation, burdensome disclosure rules or the ability of proprietors of private companies to run extravagant expense accounts—the Stock Exchange has come under increasing pressure to make itself more attractive to small companies.

Hence yesterday's proposal to transform the experimental dealings under Rule 163 (2) into a formal unlisted securities market. This will slot into the middle of a three-tier structure in which the top slice, according to the plans now being put forward, will consist of the existing listed market, while the bottom layer will continue to comprise occasional specially-authorised trades under Rule 163 (2).

Although dressed up as a way of giving small companies access to the wider equity capital market, and thus encouraging their growth, essentially this facility should be seen as a means by which proprietors of small companies may cash in a limited percentage of their equity. With only 15 per cent of the equity needing to be issued to the public, rather than the 35 per cent insisted upon for normal cases in the present fully-listed market, the danger of losing voting control is much reduced, and there will be a better chance of getting a good price for a more limited placing.

accelerated in the second half of the year to October to give a pre-tax figure 184 per cent up at £22.1m for the year as a whole, after a 9 per cent rise in the first six months, when the bad weather did severe damage. Almost all the increase has come on the overseas side, where South Africa and France have been particularly strong.

The group is looking for more growth overseas in the current year, and is expecting an advance at the trading level in the UK businesses as a whole. The DIV store division is being rapidly expanded, and there should be some loss elimination in exports and in the Wallington Weston subsidiary. Marley is also hoping that demand for building materials will be kept at a respectable level by the home investment brigade.

The interest charge, though, is set to rise sharply. Borrowings have risen by £19m in the past year as the result of an ambitious spending programme, and the group is still looking for a substantial U.S. acquisition. Present investment should bring useful returns in the early 1980s, and the shares, which at 78p yield 7 1/2 per cent and stand on a p/e of around 8, fully-taxed are not on a testing rating.

Against this background these are generally sensible measures. Yet they will remain the anomaly that, in not going over to a consistent multi-tier market, existing small listed companies are going to be held to more vigorous treatment—in terms of disclosure and regulation—than unlisted ones.

The Stock Exchange Council makes clear that it does "not propose to allow" existing listed companies to slip down into the second tier. At the same time companies in the USM will be politely but firmly pushed up into the fully-listed market when certain criteria, such as a five-year record and £10m market capitalisation, are met.

The test is going to be whether the USM can be maintained as a transitional market, or whether the Council is opening the door to something that will get more popular than it is designed to be.

On the November market day interest-bearing liabilities (IBELs) of clearers' parent banks were more than 4 per cent into the penalty zone. But the clearing bank groups as a whole, probably more or less in line with the rest of the banking system, which was roughly 2 per cent above the ceiling.

Although the December 21 three-month moving average of IBELs this month will have the low September figure, the December figure which places it at only 1 per cent on November—and it may be a good deal more—the banking system will find itself 3 1/2 per cent above the permitted limit. In order to get below the ceiling, IBELs would have to fall by 9 per cent, which is unlikely, to say the least, as the 4.1 per cent jump in November IBELs suggests that the authorities attempt to discourage the dubious forms of corset evas are beginning to work.

Once a bank is more than 1 per cent above its IBEL ceiling, the penalty increases five-fold. The banks may be expected to redouble their demands that corset should be removed from their discounting growth.

### The corset

Yesterday's make-up day for the December banking month passed off in the now traditional way, with overnight money rates oscillating wildly. For much of the day the money market was not particularly tight, which will mean that the clearing banks should not have been embarrassed by any last-minute switch into overdraft lending which might have pushed them more deeply into trouble with

Marley profits growth more deeply into trouble with

## £120m plan for MPs' offices

By Richard Evans, Lobby Editor

AN AMBITIOUS multi-million-pound office block scheme for MPs to be built alongside Westminster Bridge, was unveiled yesterday with the backing of an all-party Commons committee.

The design, which could be developed in stages to spread the costs, would create an important Thames-side landmark. But in the present economic climate its supporters fear that the project might have to be delayed.

The full scheme, which would create 400 sets of rooms for MPs, would cost £120m at current prices—an increase of £15m since the beginning of a year—but a modest start could be made for £35m. This would provide about 30 sets of rooms.

In a report from the Commons services committee, published with a feasibility study by a team of architects led by Sir Hugh Casson, president of the Royal Academy of Arts, MPs recommend the adoption of a four-stage building programme. This is in preference to a single-stage, or an eight-stage programme.

A final decision will depend on the reception the scheme receives from the Cabinet and from Parliament. An exhibition will be mounted in Westminster Hall in February, and a debate will be held shortly afterwards.

Even with maximum Cabinet and Parliamentary backing, the full scheme would take nine years to complete.

The site is bounded by the Victoria Embankment, Bridge Street, Parliament Street and Derby Gate. The project would leave intact some listed buildings, including some designed by Norman Shaw in the last century.

At street level, there would be shopping arcades and a new route from Whitehall to the Thames.

Picture Page 8

## Court move on Iran bank

BY JOHN EVANS

CHASE MANHATTAN Bank confirmed last night that it has filed a protective action in the U.S. to restrain Bank Markazi, Iran's central bank, from suing it in courts outside the U.S.

This marks a further development in the legal battle between U.S. banks and Iran, prompted by President Carter's order last month to freeze more than \$8bn (£3.65bn) of Iranian assets in the U.S. or lodged at American banks worldwide.

The move emphasises growing international conflict over whether U.S. banking subsidiaries abroad are subject finally to U.S. or host-country law.

Chase in New York said: "We have asked the Southern District Court of New York (in Manhattan) to restrain Bank Markazi from proceeding against us outside the U.S."

A federal judge has issued a temporary restraining order to that effect, the bank said, adding: "We believe it better that one legal system decides the various legal issues involved."

The judge has posted a return date for later this week so that

Chase and Bank Markazi may explain their positions. Bank Markazi officials in London were understood to be a clear attempt to get all Iranian action against it heard under U.S. law.

Chase is subject to legal action by Bank Markazi in Britain. The central bank served it with a writ late last month seeking the release of \$225m (£145.5m) alleged to be frozen at Chase Manhattan in London, as a result of the Presidential blocking order.

That was part of wider action by Bank Markazi seeking the release of more than \$3bn claimed to be frozen at the London branches of five big U.S. banks. The writ gave the banks 14 days in which to release the funds, and the time limit expires this week.

Chase was also agent bank for the \$500m syndicated Euro-currency loan to the Imperial Government of Iran, which has been declared in default by a majority of the participating banks on the grounds of non-payment of interest.

Bank Markazi refutes that and says instructions given for

the transfer of \$4m of interest in New York were "frustrated" by the Presidential order.

But the legal experts believe the Chase action to be a clear attempt to get all Iranian action against it heard under U.S. law.

There is already widespread concern outside the U.S. over President Carter's use in the Iranian dispute, of the International Emergency Economic Powers Act, which seeks to impose U.S. law outside U.S. territory.

The central banks of Britain and Switzerland say their banking laws are the ultimate authority for all banks in their respective countries. In the U.S. legal opinion has been given that under American law the Presidential freeze affects U.S. bank branches and subsidiaries overseas.

That was repeated last night in Washington by Mr. Anthony Solomon, the Treasury Under-Secretary for international affairs.

In Paris, Bank Markazi was rebuffed yesterday by French civil court in its efforts to move funds out of the Paris branch of Citibank.

## P.O. removes worker directors

BY CHRISTIAN TYLER, LABOUR EDITOR

A TWO-YEAR worker director experiment in the Post Office, the first of its kind in a major British enterprise, will not continue in its present form, the Government announced yesterday.

The seven trade unionists and two consumer board members will not be reappointed at the end of the year.

Although Post Office unions had expected the decision, in spite of their protests that the experiment had not had time to prove itself, they yesterday welcomed the Government's decision to allow a further two months of negotiation.

If the Post Office were to

## Weather

**UK TODAY**  
WINDY, SHOWERS.  
London, E. Anglia, Midlands, E. S.E., N.E., Cent. N. England. Dry at first, showers quickly developing. Sunny intervals. Max. 7C (45F).  
N.W., S.W., Cent. S. England, Channel Isles, Wales, Isle of Man. Blustery showers, some heavy. Bright intervals. Max. 7C (45F).  
Glasgow, S.W. Scotland, Argyll, N. Ireland. Showers or longer rainy spells. Max. 7C (45F).  
N.W. Scotland. Heavy rain at times. Wind S.E. to S., locally severe gales. Max. 7C (45F).  
Rest of Scotland, Islands. Blustery showers, some heavy. Max. 7C (45F).  
Outlook: Unsettled. Very windy at times. Night frost in parts.

**WORLDWIDE**

City	Y'day	Today	Y'day		
	°C	°F	midday		
Algeria	15	59	London	9	45
Algiers	18	64	L. Annetes	18	64
Amman	15	59	L. Annetes	18	64
Athens	18	64	L. Annetes	18	64
Bahrein	25	77	Madrid	11	52
Bangkok	25	77	Madrid	11	52
Batavia	25	77	Madrid	11	52
Beirut	19	66	Malaga	21	70
Bombay	25	77	Malaga	21	70
Buenos Aires	15	59	Malaga	21	70
Calcutta	25	77	Malaga	21	70
Cairo	21	69	Malaga	21	70
Canton	15	59	Malaga	21	70
Cebu	25	77	Malaga	21	70
Colon	25	77	Malaga	21	70
Hankow	15	59	Malaga	21	70
Hong Kong	25	77	Malaga	21	70
Kobe	15	59	Malaga	21	70
London	9	45	Malaga	21	70
Lyons	15	59	Malaga	21	70
Manila	25	77	Malaga	21	70
Medan	25	77	Malaga	21	70
Mexico City	15	59	Malaga	21	70
Mumbai	25	77	Malaga	21	70
Nairobi	25	77	Malaga	21	70
Osaka	15	59	Malaga	21	70
Paris	15	59	Malaga	21	70
Rangoon	25	77	Malaga	21	70
Reykjavik	15	59	Malaga	21	70
Rome	15	59	Malaga	21	70
Singapore	25	77	Malaga	21	70
Sourabaya	25	77	Malaga	21	70
Taipei	15	59	Malaga	21	70
Tokyo	15	59	Malaga	21	70
Yokohama	15	59	Malaga	21	70

## Soames arrives in Rhodesia

Continued from Page 1

time in 1969, when the last British Governor, Sir Humphrey Gibb, abandoned Government House after his electricity and telephone had been cut off.

Lord Soames's arrival symbolised to many blacks, the end of minority white rule in Rhodesia, but was greeted with very mixed feelings by Rhodesian whites. Mr. Ian Smith, who led the country to UDI in 1965, was deliberately absent from the airport reception.

In spite of the lack of open hostility at his arrival, Lord Soames faces a daunting task in bringing peace to a country where no ceasefire has been agreed, and steering it through a bitter election campaign.

Senior Rhodesian officials, now responsible to Lord Soames, remain deeply sceptical about the chances of ensuring a ceasefire between the Rhodesian security forces and the guerrilla armies of the Patriotic Front alliance.

Until a ceasefire has been agreed at the Lancaster House conference in London, Lord Soames will be legally in charge of the Rhodesian security forces fighting the guerrillas. His most urgent task will be to order an end to raids on guerrilla camps, in neighbouring territories. At the same time, he is expected to order the reopening of the

## Ceasefire agreement soon

Continued from Page 1

effect from midnight last night when the Import-Export and Customs Powers (Defence) Act of 1939 was amended.

The Department of Trade announced that licences "will be required as for other countries for imports and exports of certain types of goods subject to general restrictions. Exceptionally, the export to Rhodesia of aircraft, aircraft spares and equipment will also be subject to licensing control."

The end of sanctions against Rhodesia also means that all exchange control restrictions affecting that country are be-

ing removed with effect from today, Rhodesia was the only exception to the general abolition of exchange controls announced on October 28. The effect of yesterday's move is that the abolition is now worldwide.

The 1947 Exchange Control Act will remain on the Statute Book for the time being, although its future is being reviewed.

Statutory orders are being laid before Parliament and the Bank of England is issuing a notice pointing out that obligations remain to provide information and documents if this is required

as part of a Treasury investigation of past evasions of the 1947 Act.

The Exports Credit Guarantee Department announced yesterday that it was resuming insurance cover for British exports to Rhodesia on credit terms of up to six months. Both the Confederation of British Industry and the London Chambers of Commerce have announced that they hope to send missions to Rhodesia shortly.

Meanwhile, British Airways and British Caledonian Airways are poised to resume flights to Salisbury.

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Mr. B. J. Dugate, Prestel Service Policy Division, Telephone House, Temple Avenue, London EC4Y 0HL

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